

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

FOR

THE INDEPENDENT POWER CORPORATION PLC

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for the year ended 30 June 2022

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THE INDEPENDENT POWER CORPORATION PLC

COMPANY INFORMATION
for the year ended 30 June 2022

DIRECTORS: P.R.S. Earl
Y Goligorsky
E R Shaw
Ms A Gorgyan
Ms M S R Sanchez de Lozada G

SECRETARY: Ms A Gorgyan

REGISTERED OFFICE: 15th Floor
Millbank Tower
21-24 Millbank
London
London
SW1P 4QP

REGISTERED NUMBER: 03097552 (England and Wales)

AUDITORS: Cameron Baum Hollander Limited
Chartered Accountants
Statutory Auditor
88 Crawford Street
London
W1H 2EJ

STRATEGIC REPORT
for the year ended 30 June 2022

The directors present their strategic report for the year ended 30 June 2022.

REVIEW OF BUSINESS

Independent Power Corporation PLC ("IPC") is a company incorporated in England & Wales. IPC is one of the United Kingdom's leading power developers and power plant operators. Founded in 1995, IPC has developed, owned or operated over 10,000 MW of thermal and hydro power generation facilities in North America, Latin America, South Africa, Asia and Europe.

IPC is built around its ability to marry financial and engineering skills to help its clients finance, develop and operate greenfield power projects or to acquire on behalf of clients existing plants in order to upgrade efficiency and improve management.

In 2020 IPC entered the offshore wind energy market and has been acting as joint sponsor of the 2,000 MW Kári Energy offshore wind project in Iceland which was announced in May 2021 in London, New York and Reykjavik. IPC sold its share of this project to its partner, Hecate Energy of Chicago in July 2022.

IPC has continued work on developing further offshore wind projects in the Dominican Republic, Greece and the Caspian region of Central Asia as well as solar and battery storage projects in Europe.

IPC is also developing over 3,000 MW of new low carbon gas-fired peaking and balancing power plants on its own balance sheet or through special purpose vehicle project companies for which IPC is sponsor. These projects are in Europe, West Africa, the Caspian region and in Latin America.

Under the ownership of founder Peter Earl, IPC has been exploring new alliances and joint ventures with institutional investors to combine the Company's strong experience as a developer and operator of renewable energy and low carbon power plants in Western Europe and in emerging markets with providers of long-term capital for new, clean, low emissions power plants.

In January 2020, IPC and Nebras Power of Qatar announced the formation of Nebras Power IPC Developments Limited ("NPIDL") to undertake clean energy projects. IPC transferred specific project activities into this new company.

During the current financial year, IPC acquired Sloane Renewable Energy Limited, owner of a run-of river hydro developer as part of its IPC New World development initiative. IPC is also pursuing opportunities to develop and construct clean tech balancing power projects to provide low carbon open cycle gas fired generation to support national transmission systems in maintaining stability when accepting increased levels of intermittent renewable energy.

The Company has undertaken refurbishment and procurement services for third party clients during the transition period from traditional gas fired power plants to zero carbon alternatives, supervising some 100 MW of turbine purchases, overhauls and upgrades. As at Q4 2022, IPC is finalising an additional 240 MW of equipment purchases which are expected to be installed for clients under IPC supervision during 2023.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to foreign exchange risks and uncertainties which result from its operating activities overseas. In most cases the Company charges fees in US dollars or UK £ Sterling. The Company does not engage in the trading of financial assets for speculative purposes.

The Company's revenue streams are development fees from technical and financial advisory mandates, with, in many cases, a success fee earned upon achieving successful milestones. The development process can be uneven and subject to delay, resulting in a lumpy cashflow profile. The Company seeks to mitigate troughs in its cashflow through its monthly fees and with the support of its shareholders.

FUTURE DEVELOPMENTS

The Company continues to pursue technical advisory roles in emerging markets and has developed as principal a series of gas fired balancing power projects in Africa, Latin America and the Caspian region based on General Electric gas turbine technology. The COVID-19 pandemic caused delays to projects in Azerbaijan and in Western Kazakhstan but IPC's LatAm, Middle East and African projects have continued without interruption. IPC continues to work on dedicated low carbon power plants serving new hyper-scaled data centres in emerging markets as well as Europe, focussing on net zero carbon emissions technology.

To this end, in early 2022 IPC completed the re-branding of its run-of-river and high head hydro expertise under the IPC New World brand which focuses on renewable energy projects, including offshore wind and solar, along with balancing power supplied by low carbon and zero carbon gas fired generation using existing, well-established technologies for carbon capture and storage offshore working closely with General Electric as a technology partner. IPC expects its Marine Low Carbon Power subsidiary for gas fired generation projects with carbon capture and storage integrated into their design to play a leading role in the United Kingdom balancing power market.

STRATEGIC REPORT
for the year ended 30 June 2022

KEY PERFORMANCE INDICATORS

The Company measures its performance based on the number of MW under development, both on its own account and for others, and their position in the development cycle. As projects achieve development milestones, they become more valuable, from initial enquiries through projects that have started the financing process where sources of debt and equity funds have been identified through construction to commercial operations. By 30th June 2022 the Company had some 6,400 MW in development (5,900 MW in 2021); 10,000 MW in planning (10,000 MW in 2021); 350 MW in financing (250 MW in 2021); 0 MW in construction (0 MW in 2021) and 0 MW in commercial operations (0 MW in 2021).

ON BEHALF OF THE BOARD:

P.R.S. Earl - Director

23 December 2022

REPORT OF THE DIRECTORS
for the year ended 30 June 2022

The directors present their report with the financial statements of the company for the year ended 30 June 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the developer and operator of power plants.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2021 to the date of this report.

P.R.S. Earl
Y Goligorsky
E R Shaw
Ms A Gorgyan
Ms M S R Sanchez de Lozada G

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company 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 accounting estimates that are reasonable and prudent;
- 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 financial statements comply with the Companies Act 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Cameron Baum Hollander Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

P.R.S. Earl - Director

23 December 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE INDEPENDENT POWER CORPORATION PLC**

Opinion

We have audited the financial statements of The Independent Power Corporation Plc (the 'company') for the year ended 30 June 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' 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, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 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 set out on page four, 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE INDEPENDENT POWER CORPORATION PLC**

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Enquiry of management and those charged with governance around actual and potential litigation and claims.

Reviewing minutes of meetings of those charged with governance.

Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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

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 a Report of the Auditors 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.

Daniel Baum (Senior Statutory Auditor)
for and on behalf of Cameron Baum Hollander Limited
Chartered Accountants
Statutory Auditor
88 Crawford Street
London
W1H 2EJ

23 December 2022

INCOME STATEMENT
for the year ended 30 June 2022

	Notes	2022 £	2021 £
REVENUE	3	6,632,672	289,900
Cost of sales		<u>6,063,926</u>	<u>336,975</u>
GROSS PROFIT/(LOSS)		568,746	(47,075)
Administrative expenses		<u>112,744</u>	<u>(49,979)</u>
		456,002	2,904
Other operating income		<u>9,380</u>	<u>-</u>
OPERATING PROFIT	5	465,382	2,904
Interest receivable and similar income		<u>-</u>	<u>53,119</u>
		465,382	56,023
Gain/(loss) on revaluation of investments		<u>122,999</u>	<u>-</u>
		588,381	56,023
Interest payable and similar expenses	6	<u>4,546</u>	<u>-</u>
PROFIT BEFORE TAXATION		583,835	56,023
Tax on profit	7	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>583,835</u>	<u>56,023</u>

OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		583,835	56,023
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>583,835</u>	<u>56,023</u>

** PLEASE COMPLETE CLIENT SCREEN - OTHER COMPREHENSIVE INCOME. THERE HAS BEEN REVALUATION IN CURRENT YEAR FOR FIXED ASSET INVESTMENTS WHICH SHOULD BE REPORTED ON THIS SCREEN

BALANCE SHEET
30 June 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Property, plant and equipment	8		15,118		-
Investments	9		<u>880,645</u>		<u>579,065</u>
			895,763		579,065
CURRENT ASSETS					
Debtors	10	1,509,526		1,075,307	
Cash in hand		<u>90,157</u>		<u>139,543</u>	
		1,599,683		1,214,850	
CREDITORS					
Amounts falling due within one year	11	<u>1,019,473</u>		<u>901,777</u>	
NET CURRENT ASSETS			<u>580,210</u>		<u>313,073</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,475,973</u>		<u>892,138</u>
CAPITAL AND RESERVES					
Called up share capital	13		361,359		361,359
Share premium	14		5,798,677		5,798,677
Revaluation reserve	14		59,568		59,568
Retained earnings	14		<u>(4,743,631)</u>		<u>(5,327,466)</u>
SHAREHOLDERS' FUNDS			<u>1,475,973</u>		<u>892,138</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 December 2022 and were signed on its behalf by:

P.R.S. Earl - Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 July 2020	261,359	(5,383,489)	5,798,677	59,568	736,115
Changes in equity					
Issue of share capital	100,000	-	-	-	100,000
Total comprehensive income	-	56,023	-	-	56,023
Balance at 30 June 2021	<u>361,359</u>	<u>(5,327,466)</u>	<u>5,798,677</u>	<u>59,568</u>	<u>892,138</u>
Changes in equity					
Total comprehensive income	-	583,835	-	-	583,835
Balance at 30 June 2022	<u>361,359</u>	<u>(4,743,631)</u>	<u>5,798,677</u>	<u>59,568</u>	<u>1,475,973</u>

**CASH FLOW STATEMENT
for the year ended 30 June 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	145,942	113,883
Interest paid		(4,546)	-
Net cash from operating activities		<u>141,396</u>	<u>113,883</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(17,432)	-
Purchase of fixed asset investments		(178,581)	-
Net cash from investing activities		<u>(196,013)</u>	<u>-</u>
Cash flows from financing activities			
New loans in year		138,581	-
Amount introduced/(drawn) by directors		(133,350)	(132,614)
Share issue		-	100,000
Net cash from financing activities		<u>5,231</u>	<u>(32,614)</u>
(Decrease)/increase in cash and cash equivalents		<u>(49,386)</u>	<u>81,269</u>
Cash and cash equivalents at beginning of year	2	139,543	58,274
Cash and cash equivalents at end of year	2	<u>90,157</u>	<u>139,543</u>

**NOTES TO THE CASH FLOW STATEMENT
for the year ended 30 June 2022**

	2022	2021
	£	£
1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS		
Profit before taxation	583,835	56,023
Depreciation charges	2,314	-
Gain on revaluation of fixed assets	(122,999)	-
Finance costs	4,546	-
Finance income	-	(53,119)
	<u>467,696</u>	<u>2,904</u>
(Increase)/decrease in trade and other debtors	(434,219)	212,270
Increase/(decrease) in trade and other creditors	<u>112,465</u>	<u>(101,291)</u>
Cash generated from operations	<u><u>145,942</u></u>	<u><u>113,883</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2022

	30.6.22	1.7.21
	£	£
Cash and cash equivalents	<u>90,157</u>	<u>139,543</u>

Year ended 30 June 2021

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	<u>139,543</u>	<u>58,274</u>

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.7.21	Cash flow	At 30.6.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>139,543</u>	<u>(49,386)</u>	<u>90,157</u>
	<u>139,543</u>	<u>(49,386)</u>	<u>90,157</u>
Debt			
Debts falling due within 1 year	<u>(5,000)</u>	<u>(138,581)</u>	<u>(143,581)</u>
	<u>(5,000)</u>	<u>(138,581)</u>	<u>(143,581)</u>
Total	<u><u>134,543</u></u>	<u><u>(187,967)</u></u>	<u><u>(53,424)</u></u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

1. STATUTORY INFORMATION

The Independent Power Corporation Plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are prepared in UK Pound Sterling, which is functional currency of the company.

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Income 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.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 25% on cost

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets less their residual values over their useful lives, using the straight line method as follows:

Computer equipment - straight line at 25% on cost

The company's policy is to review the remaining useful economic lives and residual values of fixed assets on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated useful economic life and residual value.

Fully depreciated fixed assets are retained in the cost of the asset and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the profit and loss account.

Assets not carried at fair value are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reverses, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in the Income statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Sterling, which is the company's functional and presentation currency and is denoted by the symbol "£".

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents and all other foreign exchange gains and losses are presented in the profit and loss account within 'Foreign exchange losses or gains'.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit and loss in the period to which they relate.

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits:

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Annual bonus plans:

The company recognises a provision and an expense for bonuses where the company has a legal or constructive obligation as a result of past events and a reliable estimate can be made. This can include discretionary bonuses which have been approved at the year end.

Defined contribution pension plans:

The company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays contributions into a separate fund. Under defined contribution plans, the company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the company pays contributions to privately administered pension plans on a contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Going concern

The financial statement have been prepared under the going concern basis as the directors have undertaken a review of the future financing requirements for the ongoing operation of the company and are satisfied that sufficient cash facilities are secured, in respect of positive cash inflows from operations to meeting its working capital requirement for at least 12 months from the date of signing of these financial statements.

3. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by class of business is given below:

	2022	2021
	£	£
Consultancy services	98,300	289,900
Refurbishment services	6,534,372	-
	6,632,672	289,900

An analysis of revenue by geographical market is given below:

	2022	2021
	£	£
United Kingdom	98,300	289,900
Asia	6,534,372	-
	6,632,672	289,900

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	38,000	(75,000)
Other pension costs	1,191	-
	39,191	(75,000)

The average number of employees during the year was as follows:

	2022	2021
Management and administration	2	-
Directors' remuneration	-	-

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Deprecation - owned assets	2,314	-
Auditors' remuneration	13,000	10,250
Other non- audit services	3,000	2,250
Foreign exchange differences	(9,380)	-
	2,934	12,500

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	4,546	-

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 June 2022 nor for the year ended 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	<u>583,835</u>	<u>56,023</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	110,929	10,644
Effects of:		
Expenses not deductible for tax purposes	(79)	(14,250)
Income not taxable for tax purposes	(23,370)	(10,093)
Capital allowances in excess of depreciation	(4,027)	(35)
Losses carried forward	(83,453)	13,734
Total tax charge	<u> -</u>	<u> -</u>

8. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment
	£
COST	
At 1 July 2021	7,209
Additions	<u>17,432</u>
At 30 June 2022	<u>24,641</u>
DEPRECIATION	
At 1 July 2021	7,209
Charge for year	<u>2,314</u>
At 30 June 2022	<u>9,523</u>
NET BOOK VALUE	
At 30 June 2022	<u>15,118</u>
At 30 June 2021	<u> -</u>

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings
	£
COST OR VALUATION	
At 1 July 2021	579,065
Additions	178,581
Revaluations	<u>122,999</u>
At 30 June 2022	<u>880,645</u>
NET BOOK VALUE	
At 30 June 2022	<u>880,645</u>
At 30 June 2021	<u>579,065</u>

Cost or valuation at 30 June 2022 is represented by:

	Shares in group undertakings
	£
Valuation in 2022	<u>880,645</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

9. FIXED ASSET INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Independent Power Operations Limited

Registered office: England and Wales
Nature of business: Consultancy services

Class of shares:	%		
Ordinary	holding		
	100.00		
		31.12.21	31.12.20
		£	£
Aggregate capital and reserves		(123,911)	(84,462)
Loss for the year		<u>(39,449)</u>	<u>(37,160)</u>

Kazakh Independent Power Limited

Registered office: England and Wales
Nature of business: Consultancy services

Class of shares:	%		
Ordinary	holding		
	100.00		
		31.8.21	31.8.20
		£	£
Aggregate capital and reserves		<u>408,007</u>	<u>386,041</u>

Nebras Power-IPC Developments Limited

Registered office: England and Wales
Nature of business: Consultancy services

Class of shares:	%		
Ordinary	holding		
	50.00		
		31.12.21	31.12.20
		£	£
Aggregate capital and reserves		339,745	355,684
Loss for the year/period		<u>-</u>	<u>(20,170)</u>

Hecate Independent Power Limited

Registered office: England and Wales
Nature of business: Consultancy services

Class of shares:	%		
Ordinary	holding		
	50.00		
		31.5.22	31.5.21
		£	£
Aggregate capital and reserves		<u>2</u>	<u>2</u>

The Marine Low Carbon Power Company Limited

Registered office: England and Wales
Nature of business: Consultancy services

Class of shares:	%		
Ordinary	holding		
	50.00		
		30.6.22	30.6.21
		£	£
Aggregate capital and reserves		<u>2</u>	<u>2</u>

Sloane Renewable Energy Limited

Registered office: England and Wales
Nature of business: Consultancy services

Class of shares:	%		
Ordinary	holding		
	100.00		
		30.11.21	
		£	
Aggregate capital and reserves		<u>151,394</u>	

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	1,174,970	813,958
Other debtors	193,710	193,020
Subsidiary Undertaking	131,379	68,329
VAT	9,467	-
	<u>1,509,526</u>	<u>1,075,307</u>

Trade and other debtors are recognised initially at transaction price (including transaction costs) unless a financing arrangement exists in which case they are measured at the present value of future receipts discounted at a market rate. Subsequently these are measured at amortised cost less any provision for impairment. A provision for impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. All movements in the level of provision required are recognised in the profit and loss.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other loans (see note 12)	143,581	5,000
Trade creditors	478,916	24,697
Social security and other taxes	5,449	2,680
VAT	-	199,301
Other creditors	193,984	193,984
Net wages	2,567	-
Directors' current accounts	98,787	232,137
Accrued expenses	96,189	243,978
	<u>1,019,473</u>	<u>901,777</u>

Trade and other creditors 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 the transaction price and subsequently measured at amortised cost using the effective interest method.

12. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>143,581</u>	<u>5,000</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value £	2022 £	2021 £
16,135,856	Ordinary	0.01	161,359	161,359
200,000	Preference	1.00	<u>200,000</u>	<u>200,000</u>
			<u>261,359</u>	<u>261,359</u>

Each ordinary share is entitled to vote and ranks pari passu with each ordinary share.

The preference shares has the right to receive an annual dividend equivalent to 5 percent of the capital paid up on each share. The holders have no right to vote at general meetings, unless the preference share dividend has not been paid when due. On winding up, the holders are entitled to receive capital and unpaid dividends ahead of any payment to ordinary shareholders.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022**

14. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 July 2021	(5,327,466)	5,798,677	59,568	530,779
Profit for the year	583,835			583,835
At 30 June 2022	<u>(4,743,631)</u>	<u>5,798,677</u>	<u>59,568</u>	<u>1,114,614</u>

15. CONTINGENT LIABILITIES

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

16. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Other debtors relate to amounts totalling £193,710 owed by Nebras Power-IPC Developments Limited, a 50% owned joint venture which has Directors in common with this company.

Other creditors include amounts totalling £193,020 owed to Artex UK Construction Limited, a company which has Directors in common with this company.

Other loans relate to amounts owed to Sloane Corporate Finance Limited, a company which has Directors in common with this company.

Creditors also include amounts totalling £98,787 (2021: £232,137) that are owed to Mr P R S Earl. Interest charged on the loan was £nil (2021: £nil).

17. ULTIMATE CONTROLLING PARTY

The controlling party is P.R.S. Earl.

18. FINANCIAL RISK MANAGEMENT

The company has exposures to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure.

Foreign exchange transactional currency exposure:

The company is exposed to currency exchange rate risk due to a significant proportion of its contract being denominated in non-Sterling currency. The net exposure of each currency is monitored and managed by the use of currency bank accounts.

Liquidity risk:

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows.

Customer credit exposure:

The company may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.

19. PROVISIONS

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

20. **CONSOLIDATION**

The company and its subsidiary undertaking comprise a small group. The company has therefore taken the advantage of the exemption provided by section 399 of the Companies Act 2006 not to prepare group accounts. The financial statements therefore presents information about the company as an individual undertaking and not about its group.

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.