

Milton Capital Plc  
("Milton" or the "Company")

UNAUDITED PRELIMINARY ACCOUNTS FOR THE YEAR ENDED 31 January 2023

Milton Capital Plc, the cash shell focusing on opportunities in the technology space, is pleased to announce its unaudited preliminary accounts for the financial year ended 31 January 2023. The audited annual report and accounts to 31 January 2023 are expected to be published by the end of March 2023.

While the board does not expect these results to materially differ from the audited annual accounts, shareholders should be aware that the figures in these statements have not been reviewed or audited.

Milton Capital plc

**Directors**

Malcolm Burne

Eran Zucker

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Lucy Williams / Duncan Vasey

Dear Shareholders,

The board of Milton Capital Plc is pleased to present its inaugural Annual Report to shareholders.

I am delighted to announce that our cash shell with a focus on technology has successfully completed its listing on the London Stock Exchange and commenced trading on 4th October 2022. This marks an important milestone for our business and opens up new opportunities for us to create value for our shareholders.

As a cash shell, our primary objective is to identify and invest in attractive businesses or assets that have the potential to generate strong returns for our investors. With our focus on technology, we are particularly interested in high-growth sectors such as AI, edge computing, quantum computing, machine learning, automation, robotics, blockchain, nanomaterials and the exploitation of space. We believe that the rapid pace of technological change and disruption presents significant opportunities for value creation, and we will be actively seeking out innovative businesses and technologies that have the potential to generate significant returns for our shareholders.

Our experienced management team has a proven track record of identifying and executing successful investments, and we believe that our team's expertise and network will be a key advantage as we seek out new investment opportunities in the technology sector. We will continue to be guided by our core principles of integrity, transparency, and accountability as we navigate the investment landscape and evaluate potential investments in the technology space.

We believe that building strong relationships with our investors is essential to our success as a public company, and we are committed to earning and maintaining your trust. We are also committed to maintaining open and transparent communication with our shareholders, and we will provide regular updates on our progress and any material developments. It is important to us that our shareholders have a clear understanding of our strategy and investment approach, and we will be as forthcoming as possible with information that is relevant to our performance. [It is worth noting that this statement has been drafted by ChatGPT, a language model trained by OpenAI, but it has been reviewed and approved by our management team to ensure that it accurately reflects our vision and objectives.]

Our commitment to technology extends beyond just investing in innovative businesses and assets. As evidenced by our use of ChatGPT to draft this statement, we are constantly exploring new and emerging technologies that can help us achieve our objectives more efficiently and effectively. We believe that our use of cutting-edge technology reflects the ethos of our company and our dedication to remaining at the forefront of technological advancement. We are committed to leveraging technology in all areas of our business to drive growth and create value for our shareholders.

In conclusion, I would like to thank our shareholders for their support and confidence in our business. We are excited about the opportunities that lie ahead in the dynamic and rapidly evolving technology sector, and look forward to delivering value for our shareholders as we embark on this new chapter in our journey.

Sincerely,

**Eran Zucker**

Non-Executive Director

The Directors present their Strategic Report on the Company for the period ended 31 January 2023.

#### **Review of Business and Analysis Using Key Performance Indicators**

The Company was incorporated on 17 September 2021.

The Company reported a loss for the first reporting period of £98,985 out of which £25,081 was share based payment.

Net cash amounted to £926,096 as at 31 January 2023.

#### **Key Performance Indicators**

The Board monitors the activities and performance of the Company on a regular basis. The indicators set out below have been used by the Board to assess performance over the period to 31 January 2023. The main KPIs for the Company are listed as follows:

<b>Key Performance Indicator</b>	<b>2023</b>
Current assets	£960,130
Net assets	£926,096
Loss before tax	£98,985

#### **Investing Policy**

Milton Capital Plc was formed with the intention to identify and acquire a suitable business opportunity or opportunities and undertake an acquisition or merger or a series of acquisitions or mergers.

The Company intends the main focus of the acquisition strategy to be on the technology sector, in particular: edge computing, quantum computing, artificial intelligence, machine learning, automation, robotics, blockchain, nanomaterials and the exploitation of space.

The Directors see these technologies as having considerable growth potential for the foreseeable future and many of the prospects they have identified are in this sector. The Directors believe that any acquisition target will have at least one of four key components: (i) a strong management team; (ii) an innovative product proposal (iii) revenue enhancing or cost saving capabilities; and (iv) high growth potential. It is anticipated that the main driver of success for the Company will be its focus, during the investment screening process, on the management involved in the potential target companies and the potential value creation that the team of people is capable of realising. The Company intends to own, operate and manage the target acquisitions. Accordingly, where the Directors feel that a target company would benefit from their skills and expertise, they may look to seek representation on the board of the

target company, would benefit from their skills and expertise, and, may, look to seek representation on the board of the target company.

The Directors believe that their broad, collective experience, together with their extensive network of contacts, will assist them in identifying, evaluating and funding suitable acquisition opportunities.

**Malcolm Burne**

Executive Director



The Directors present their report together with the unaudited financial statements for the period ended 31 January 2023.

**Results and dividends**

The trading results for the period ended 31 January 2023 and the Company's financial position at that date are shown in the attached financial statements.

The Directors do not recommend the payment of a dividend for the first reporting period ended 31 January 2023.

**Statement of Profit or Loss and Other Comprehensive Income  
for the period ended 31 January 2023**

	Notes	Year Ended 31 January 2023 (*)	£
Administrative expenses	2	(96,485)	
<b>Operating loss</b>		<b>(96,485)</b>	
Net finance expenses		(2,500)	
<b>Loss before taxation from continuing operations</b>		<b>(98,985)</b>	
Income tax	4	-	
<b>Loss for the period from continuing operations</b>		<b>(98,985)</b>	
<b>Loss for the period attributable to the owners of the Company and total comprehensive loss for the period</b>		<b>(98,985)</b>	
<b>Loss per share attributable to the owners of the Company</b>			
From loss from continuing operations/loss for the period:			
Basic and diluted (pence per share)	5	(0.1) p	

(\*) For the reporting period since incorporation on 17 September 2021 until 31 January 2023.

**Statement of Financial Position**

*As at 31 January 2023*

		As at 31 January 2023	£
	Notes		£
<b>Current assets</b>			
Other receivables	6	960,130	
<b>Total current assets</b>		<b>960,130</b>	
<b>Total assets</b>		<b>960,130</b>	
<b>Current liabilities</b>			
Trade and other payables	7	(34,034)	

<b>Total current liabilities</b>		<b>(34,034)</b>
<b>Total liabilities</b>		<b>(34,034)</b>
<b>Net assets</b>		<b>926,096</b>
<b>Shareholders' equity</b>		
Share capital	8	1,000,000
Share based payments reserve	9	25,081
Retained earnings		(98,985)
<b>Total shareholders' equity</b>		<b>926,096</b>

Statement of Changes in Equity  
for the period ended 31 January 2023

	Share capital	Share based payments reserve	Retained earnings	Total
	£	£	£	£
Balance at 17 September 2021	-	-	-	-
Total comprehensive loss for the period ended	-	-	(98,985)	(98,985)
Issue of warrants	-	25,081	-	-
Shares issued in period	1,000,000	-	-	1,000,000
<b>Balance at 31 January 2023</b>	<b>1,000,000</b>	<b>25,081</b>	<b>(98,985)</b>	<b>926,096</b>

**Share capital**

Share capital represents the nominal value on the issue of the Company's equity share capital, comprising £0.01 ordinary shares.

**Retained earnings**

Retained earnings represent the cumulative net losses of the Company recognised through the Statement of Profit or Loss and Other Comprehensive Income.

Statement of Cash Flows  
for the period ended 31 January 2023

	Note	For the year ended 31 January 2023 (*)
		£
<b>Operating activities</b>		
Loss for the period ended 31 January 2023	9	(98,985)
<i>Adjustments to reconcile profit before tax to net cash flows</i>		
Share based payment		25,081
<i>Working capital adjustments</i>		
Increase in trade and other receivables	6	(960,130)
Increase in trade and other payables	7	34,034
<b>Net cash used in operating activities</b>		<b>(1,000,000)</b>
<b>Financing activities</b>		
Proceeds from issue of equity	8	1,000,000
<b>Net cash generated from financing activities</b>		<b>1,000,000</b>
<b>Net increase in cash and cash equivalents</b>		<b>-</b>
Cash and cash equivalents at start of the year		-
<b>Cash and cash equivalents at end of the year</b>		<b>-</b>

(\*) For the reporting period from incorporation on 17 September 2021 until 31 January 2023.

Notes to the Financial Statements  
for the period ended 31 January 2023

## **1. Accounting policies**

### **General information**

Milton Capital Plc (the "Company") is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is 3rd Floor, 80 Cheapside, London, EC2V 6EE.

The Company is listed on the standard segment of the main market of the London Stock Exchange.

### **Summary of significant accounting policies**

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

### **Basis of preparation**

These financial statements have been prepared in accordance with the UK adopted International Accounting Standards and Companies Act 2006.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of assets and liabilities held at fair value.

The preparation of financial statements in conformity with the UK adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates were significant in the financial statements. Financial statements are prepared in Sterling and to the nearest whole pound.

### **Going concern**

The Company has reported a loss for the year of £98,985,904.

The Company had other receivables balance at the year-end of £960,130.

The Directors therefore consider that the company has adequate resources to continue its operational existence for the foreseeable future.

### **New standards, amendments and interpretations not yet adopted**

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

### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### **Financial liabilities**

The Company classifies its financial liabilities in the category of financial liabilities measured at amortised cost. The Company does not have any financial liabilities at fair value through profit or loss.

#### *Financial liabilities measured at amortised cost*

Financial liabilities measured at amortised cost include:

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

### **Operating loss**

Operating loss is stated after crediting all items of operating income and charging all items of operating expense.

### **Taxation**

The tax currently payable is based on taxable profit or loss for the period. Taxable profit or loss differs from net profit or loss as reported in the income statement 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.

### **Deferred taxation**

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base.

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

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/ (assets) are settled/ (recovered).

### **1. Nature of expenses**

	<b>2023 (*)</b> £
Share based payment	25,081
Listing expenses	44,274
Bank fees	2,500
Audit fee	18,000
Legal fees	8,400
Other expenses	<u>730</u>
	<u>98,985</u>

(\*) For the reporting period since 17 September 2021 till 31 January 2023.

### **2. Staff costs, including Directors**

During the year the Company had no employees. The Company employs only two Directors.

	<b>2023</b> £
Wages and Salaries	-
Social security taxes	-
	-

The Directors did not earn/ accrue any fees or salaries for the period ended 31 October 2022.

#### *Directors' and key management personnel*

Directors' remuneration for the period ended 31 January 2023 is as follows:

	<b>Salary</b> £	<b>Fees</b> £	<b>Share based payments</b> £	<b>Total</b> <b>2023</b> £
Malcolm Burne	-	-	-	-
Eran Zucker	-	-	-	-
	-	-	-	-

### **3. Taxation**

The tax assessed on loss before tax for the period differs to the applicable rate of corporation tax in the UK for small companies of 19%. The differences are explained below:

	<b>2023</b> £
Analysis of income tax expense:	-
Current tax	-
Deferred tax	-

Deferred tax

**Total income tax expense**

Loss before tax	<b>(98,985)</b>
Profit before tax multiplied by effective rate of corporation tax of 19%	-
Effect of:	
Capital allowances	-
Expenses not deductible for tax purposes	-
Losses carried forward	<b>(98,985)</b>
<b>Tax charge in the income statement</b>	<b>-</b>

The Company has incurred tax losses for the year and a corporation tax expense is not anticipated. The amount of the unutilised tax losses has not been recognised in the financial statements as the recovery of this benefit is dependent on future profitability, the timing of which cannot be reasonably foreseen.

On 10 June 2021, the UK Government's proposal to increase the rate of UK corporation tax from 19% to 25% with effect from 1 April 2023 was enacted into UK law.

**4. Earnings per ordinary share**

The earnings and number of shares used in the calculation of loss/earnings per ordinary share are set out below:

	<b>2023</b>
<b>Basic loss per share</b>	
Loss for the financial period	(98,985)
Weighted average number of shares	<b>100,000,000</b>
<b>Loss per share (pence)</b>	<b>(0.1) p</b>

As at the end of the financial period ended 31 October 2022, there were 256,250,005 share warrants in issue, which had an anti-dilutive effect on the weighted average number of shares.

**5. Other receivables**

	<b>2023</b>
	<b>£</b>
Trust account	960,130
	<b>960,130</b>

During the period the Company raised a total amount of £1,000,000. The funds were deposit from investors on a trust account on behalf of the Company.

On the 1 February 2023, the net funds were transferred from the trust account to the Company own bank account.

**6. Trade and other payables**

	<b>2023</b>
	<b>£</b>
Trade payables	1,534
Accruals	32,500
	<b>34,034</b>

All trade and other payables fall due for payment within one year. The Directors consider that the carrying value of trade and other payables approximates to their fair value.

**7. Share capital**

	<b>2023</b>	<b>2023</b>
	<b>Number</b>	<b>£</b>
<b>Issued and fully paid</b>		
At 17 September 2021 - at incorporation (a)	1	1
<b>Total shares at £1 each</b>	<b>1</b>	<b>1</b>

Share consolidation:

1 share at £1 per share, consolidated into

100 shares at £0.01 per share	100	1
<b>Total shares at £0.01 each</b>	<b>100</b>	<b>1</b>

Ordinary shares issued at £0.01 (b)	4,999,900	49,999
Ordinary shares issued at £0.01 (c)	95,000,000	950,000
<b>At 31 January 2023</b>	<b>100,000,000</b>	<b>1,000,000</b>

(a) On incorporation, the Company issued 1 Ordinary Share at £1 nominal value. On 1 November 2021, the Company consolidated the 1 Ordinary Share at £1 in issue into 100 Ordinary Shares at £0.01 each.  
 (b) On 21 March 2022, the Company issued 4,999,900 new Ordinary Shares at £0.01 per share.  
 (c) On 4 October 2022, 95,000,000 new Ordinary Shares were issued at £0.01 per share.

## 8. Warrants

	<b>2023 Weighted average exercise price (p)</b>	<b>2023 Number</b>
Outstanding at the beginning of the period	-	-
Issued during year - investor warrants	1.5p	200,000,000
Issued during year - broker warrants	1.5p	5,000,000
Outstanding at the end of the period	<b>1.5p</b>	<b>205,000,000</b>

### *Investor warrants*

On Admission, the Company issued 200,000,000 Investor Warrants. The Investor Warrant entitles the holder to subscribe for one Ordinary Share at £0.015 per Ordinary Share. The Investor Warrants are exercisable either in whole or in part for a period of 5 years from the date of Admission. The Investor Warrants have an accelerator clause which applies if the Company announces and signs a sale and purchase agreement within 60 months of Admission. The Company will serve notice on the Investor Warrant holders to exercise their warrants in this event. When the Company serves notice, any Investor Warrants remaining unexercised after 7 calendar days following the notification of the notice will be cancelled.

As of 31 January 2023, none of these warrants have been converted into shares.

### *Broker warrants*

On Admission, the Company issued 5,000,000 Broker Warrants to Peterhouse Capital Limited. The Broker Warrants are exercisable at £0.015 per Ordinary Share and are exercisable either in whole or in part for a period of 5 years from the date of Admission. The Broker Warrants are non-transferable. The Broker Warrants have an accelerator clause which applies if the Company announces and signs a sale and purchase agreement within 60 months of Admission. The Company will serve notice on the Broker Warrant holders to exercise their warrants in this event. When the Company serves notice, any Broker Warrants remaining unexercised after 7 calendar days following the notification of the notice will be cancelled.

As the warrants were issued to the brokers assisting with the raise upon re-listing, the fair value of these warrants, £25 thousands, was treated as a share issue cost and debited against share premium.

As of 31 January 2023, none of these warrants have been converted into shares.

The following table list the inputs to the model used for the warrants plan for the year ended 31 January 2023:

### **4 October 2022**

Weighted average fair values at the measurement date	£0.01
Dividend yield	0%
Expected volatility	70%
Risk-free interest rate	2.25%
Expected life of warrant (years)	5
Weighted average share price	£0.015
Model used	Black-Scholes

## 9. Financial instruments

### Categories of financial assets and liabilities

The following tables set out the categories of financial instruments held by the Company.

The following tables set out the categories of financial instruments held by the Company:

**Financial assets**

	<b>Note</b>	<b>Receivables</b>
		<b>2023</b>
		<b>£</b>
Other receivables	6	960,130
		<b>960,130</b>

**Financial liabilities**

	<b>Note</b>	<b>Financial liabilities measured at amortised cost</b>
		<b>2023</b>
		<b>£</b>
Trade and other payables	7	32,500
		<b>32,500</b>

The Company's financial instruments comprise of other receivables and payables that arise directly from the Company's operations. The main purpose of these instruments is to ensure that the Company has sufficient resources to fulfil its investment strategy. The main risks arising from holding these financial instruments are market risk and liquidity risk.

*Market risk*

All trading instruments are subject to market risk, the potential that future changes in market conditions may make any future investments less valuable, due to fluctuations in security prices, as well as interest and foreign exchange rates. Market risk is directly impacted by the volatility and liquidity in the markets in which the related underlying assets are traded.

*Liquidity risks*

The Company seeks to manage liquidity risk by ensuring sufficient liquid assets are available to meet foreseeable needs and to invest liquid funds safely and profitably. All cash balances are immediately accessible, and the Company holds no trades payable that mature in greater than 3 months, hence a contractual maturity analysis of financial liabilities has not been presented. Since these financial liabilities all mature within 3 months, the Directors believe that their carrying value reasonably equates to fair value.

*Capital Disclosure*

The Company defines capital as issued capital and retained earnings as disclosed in statement of changes in equity. The Company manages its capital to ensure that the Company will be able to continue to pursue strategic investments and continue as a going concern. The Company does not have any externally imposed financial requirements.

**12. Related party transactions**

During the year, the Company issued 2,700,000 ordinary shares and 5,000,000 broker warrants to Peterhouse Capital Limited, a company connected to Eran Zucker and the Company's non-executive director.

**13. Operating lease commitments**

At the balance sheet date, the Company had no outstanding commitments under operating leases.

**14. Ultimate Controlling Party**

The Company considers that there is no ultimate controlling party.

**15. Post Balance Sheet Events**

There were no significant Post Balance Sheet Events.

**16. Capital Commitments**

There were no contracts for capital expenditure at the period end.

**17. Contingent Liabilities or assets**

There were no contingent liabilities or assets at the period end.

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