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Hydrogen Utopia International PLC
28 April 2023

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28 April 2023

Hydrogen Utopia International PLC

(the "Company" or "HUI")

Final Results for the period ended 31 December 2022

Hydrogen Utopia International PLC, a company specialising in turning non-recyclable mixed waste plastic into hydrogen and other carbon-free fuels, new materials or distributed renewable heat, is pleased to announce its results for the period ended 31 December 2022.

HIGHLIGHTS OF 2022

Business Development:

- Admission to trading on the standard segment of the Official List of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange finalised - trading became effective on 9 January 2023
- Agreement of an option for a long lease of a greenfield site in Longford, Ireland which is expected to become HUI's first operational full-scale waste plastic to hydrogen facility in Europe
- Further development of project pipeline in Poland
- Partnership with Powerhouse Energy Group PLC (AIM: PHE) in Konin, Poland and in Longford, Ireland - our two flagship projects - to increase the pace of our progress

Organisation and Growth:

- Recruitment and appointment of Howard White as an additional Director to the Board
- James Nicholls-May recruited as full-time CFO
- Duncan Snelling engaged as an Engineering Consultant

Financial Highlights:

- Net assets at period end of £3.355 million, including just under £2.9 million of cash after payment of or provision for the full costs of the main market listing
- In line with expectations, as HUI's business is still developing, the group did not generate any revenue for the reporting period and the loss amounted to £1.492 million after a £272k share based payments charge in relation to share options for Directors, employees and consultants
- Borrowings of £570,175 comprise a convertible loan provided by a significant shareholder, the final repayment or conversion date of which is 31 December 2025
- Positive cash outflow from operating activities of £281,625 after a very significant working capital credit in relation to shares issued in the fundraising undertaken in connection with the Company's January 2022 IPO
- Net increase in cash for the period of close to £300,000 after cash outflow from investing activities of £555,452 and cash inflow from financing activities, comprising the convertible loan mentioned above

Guy Peters, Executive Chairman of HUI commented:

"In the course of the last year we have moved our listing to the Main Market of the London Stock Exchange, after initially conducting an IPO on AQSE, against a backdrop of very challenging geopolitical and economic circumstances. We have built our project pipeline further, agreed an option to lease a site which is expected to become HUI's first operational full-scale waste plastic to hydrogen facility in Europe and agreed partnerships for both our flagship projects.

This moves us far closer to helping to tackle the worldwide plastic waste issue and to accelerating a circular and net zero economy, recovering energy from that waste and turning it into clean fuel. Without the help and support of our shareholders none of that would have been possible and we would like to thank them for all of their support."

Aleksandra Binkowska, Chief Executive Officer of HUI commented:

Aleksandra Binkowska, Chief Executive Officer of HUI commented:

"We are progressing with our technology, and we are extending our project pipeline at lightning speed under very difficult market conditions. We continue to believe that our shareholders will reap the benefits of HUI's investments in the future. It's our firm view that science never fails once it's given enough time and patience to prove itself."

For more information about the Company, please refer to our website: www.hydrogenutopia.eu

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Chairman's statement

Overview

This is the second set of Annual Report and Accounts for Hydrogen Utopia International PLC ("HUI" or the "Company") and it covers the period immediately prior to and following the Company's IPO on the AQSE Growth Market, which took place on 6 January 2022. Post year end, on 9 January 2023, the Company's ordinary shares were admitted to trading on the standard segment of the Official List of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange.

HUI's primary mission is to accelerate the development of a circular and net zero carbon economy in Europe and contribute to achieving the EU's 2030 and 2050 environmental goals for targeted European countries. HUI is pioneering the use of technology using non-recyclable mixed waste plastic to produce hydrogen and/or other alternative energy sources with significantly lower carbon emissions than existing processes, with a view to achieving net zero climate impact.

We believe that the Covid-19 pandemic has led to an increase in demand for single-use plastics, intensifying an already out-of-control global waste plastic problem. Vast quantities of plastic with a huge variety of industrial, consumer and healthcare uses continue to be produced worldwide. We believe that attempts to limit or substitute plastic use are unlikely to make any significant difference to the quantities of waste plastic generated by our society in the foreseeable future - plastics are too useful. It currently appears impossible, impractical or uneconomic to recycle about 90% of plastics, which therefore leads to landfilling or incineration of such plastic. HUI's plants will provide an alternative use for that waste plastic without the need for incineration or landfill.

Pressure is increasing on countries to deal with their own waste plastic: on 1st January 2021 the EU banned the shipment of non-recyclable mixed waste plastic to countries outside the OECD and tightened controls on exports to OECD countries and within Europe. Some poorer countries outside Europe, which are growing in affluence, are also slowly restricting the import of unwanted plastic.

During the unprecedented crisis caused by the Covid-19 pandemic, the EU unleashed the largest funding package in its history: EUR 2.018 trillion which is currently being allocated to regions across Europe most impacted by the transition from fossil fuels to alternative energy sources. As a consequence of the war in Ukraine, current sanctions against Russia, and an increasing reluctance to place any significant dependence upon Russian gas and oil supplies, Western, Central and Eastern European countries are moving even faster to seek alternative sources of energy.

It is HUI's intention to become one of the leading new European companies specialising in turning non-recyclable mixed waste plastic into carbon-free fuels, new materials or distributed renewable heat. The pressing need to deal with growing amounts of waste plastic, combined with a real momentum in demand for and the use of hydrogen from renewable sources, pave the way for a wide deployment of and investment in HUI facilities for a rapid deployment of and investment in HUI facilities.

HUI facilities are anticipated to have the flexibility to switch between different outputs and their modularity and flexibility should enable HUI to build bespoke units to satisfy local demand. HUI facilities will produce a synthesis gas (syngas) that could be used as a fuel in its own right, as a gas engine fuel to produce electrical power or to produce methane or hydrogen. Heat produced as a by-product of the process can be sold and fed into district heating systems, for example, which in Eastern Europe are used extensively.

HUI believes that building new HUI waste plastic to energy plants could be significant in allowing local communities across Europe to ameliorate the effects of the resultant gas and energy supply crisis and the anticipated market changes brought about by ongoing sanctions against Russia and the reluctance to rely upon it as an energy supplier in the future.

HUI's ambition is to create a substantial project pipeline of systems across Europe, particularly where coal mining has to be phased out, where unemployment is very high and where there is an urgent need to create new employment opportunities to preserve local communities.

We are continuing our efforts to build a pipeline of HUI facilities in Europe, with the intention of establishing a first plant as soon as practicable. The CEO's report contains further details of progress to date in building this pipeline.

Financial

The financial statements presented are those for the HUI group, including the Company and its subsidiaries.

In line with expectations, the HUI group did not generate any revenue in the reporting period. The total loss for the period amounted to £1,492,293, after a charge for the period of £272,078 for share-based payments related to share options granted to Directors, employees and consultants. The Group has not recognised a deferred tax asset in respect of the losses incurred to date - which should nevertheless be available to offset against profits in the future.

Net assets at the period end amounted to £3.355 million. Cash assets and receivables amounted to £2.99 million at that date. To the extent that listing costs were not already paid at period end in relation to the Company's listing on the main market of the London Stock Exchange on 9 January 2023, full provision has been made for the costs of the listing. Borrowings of £570,175 comprise a convertible loan provided by Conrad Griffiths, a significant shareholder, which was interest free until the period end and thereafter accrues interest at 5% per annum until converted into ordinary shares at a price of 20p per ordinary share or until repaid. The loan was provided in EUR, comprised a principal amount of EUR650,000 and the conversion or repayment terms fix the exchange rate at €1.14 to £1. The final repayment or conversion date is 31 December 2025.

Cashflow from operating activities was a positive inflow for the period of £281,625 after a very significant working capital credit in relation to shares issued in the fundraising undertaken in connection with the Company's January 2022 IPO, as detailed in note 28 to the Accounts. Cash outflow from investing activities amounted to some £555,452. Cash inflow in the year from financing activities comprised the convertible loan mentioned above, giving rise to a net increase in cash for the period of close to £300,000.

Climate Change

HUI is dedicated to helping to deliver climate change by creating a cleaner, more sustainable future for our planet through utilising technology to replace fossil fuels where possible.

Our vision is to accelerate a circular and net zero, clean economy through:

• tackling the worldwide plastic waste issue by utilising waste plastic that is not recycled/cannot be recycled/cannot be recycled economically as a feedstock for HUI facilities;

• deploying innovative clean technologies that recover energy from non-recyclable plastics and turn it into clean fuel; and

• becoming the leader in monetising the conversion of non-recyclable plastic waste into new products and energy.

G R Peters
Executive Chairman

28 April 2023

Chief Executive Officer's statement

Dear Shareholders,

As the Founder & the CEO of Hydrogen Utopia International I want to thank you for your continuous support and belief in our world changing project. I am proud to report that 2022 was a successful year in terms of the development of our business and in securing new partners who are excited about helping to deploy our ground-breaking technology to fix the plastic pollution problem.

Plastic pollution refers to the accumulation of plastic waste in the environment, particularly in oceans, rivers, and landfills, and its negative impacts on wildlife, ecosystems, and human health. Plastic pollution is a global issue that has become increasingly prominent in recent years as the production and consumption of single-use plastics have skyrocketed. The problem of plastic pollution stems from the fact that plastic does not biodegrade like organic materials. Instead, it breaks down into smaller and smaller pieces called microplastics which can persist in the environment for hundreds of years. Nano plastics are now found in the air we breathe, the water we drink, and the food we eat, and they have been linked to a range of health problems. Plastic pollution has a profound impact on wildlife and ecosystems, as animals can become entangled in plastic waste or ingest it, mistaking it for food. This can cause suffocation, strangulation, and digestive problems, among other issues. Plastic pollution can also harm marine ecosystems, as microplastics can enter the food chain, affecting the health of fish and other aquatic animals. Addressing plastic pollution requires a concerted effort from individuals, governments, and businesses such as ours.

Against a backdrop of challenging geopolitical and economic circumstances, we must not forget about the bigger picture. Alarming abundance of waste plastic and its deleterious impact upon us and our environment is a burning issue, as is the increasing need for development of a hydrogen economy in order to phase out fossil fuels. Our small, but extremely motivated team has been working tirelessly to develop our waste plastic to hydrogen projects that will not only benefit the environment but also local and national economies. In this context, whilst we are working in immensely challenging times to implement extremely ambitious projects, the words of Viktor Frankl - a famous Austrian psychiatrist - come to mind:"For the world is in a bad state, but everything will become still worse unless each of us does his best."

We began the year by joining the AQSE Growth Market and raising £3 million gross for HUI through a successful subscription and placing by Novum Securities at 7.5p per share. Subsequently, in order to attract investors overseas, we entered the U.S. market through arranging for our shares to be traded on the OTCQB Venture Market in the US, under the ticker HUIPF. We also joined the Frankfurt and Stuttgart Stock Exchanges to facilitate trading for EU investors. As we grew, we decided to move our principal listing from AQSE to the main market of the London Stock Exchange and since 9th January 2023 we are proud to be a part of one of the most prestigious stock exchanges in the world.

On 20th February 2022 the world was thrown into turmoil when Russia invaded Ukraine. As a Polish citizen, I witnessed millions of Ukrainians crossing the Polish Border in search of asylum. The war in Ukraine and the subsequent sanctions against Russia have resulted in Western and Central European countries seeking alternative energy sources to reduce dependence on Russian oil and gas supplies. HUI's waste plastic to energy plants offers a viable solution, generating syngas from which hydrogen can be extracted or which can be used as a fuel in its own right or as a gas engine fuel for producing electricity. The heat generated from this process can also be sold and fed into district heating systems, particularly in Eastern Europe where such systems are widely used.

In the midst of this terrible human tragedy, HUI nevertheless sees an opportunity to build new waste plastic to energy plants to help local communities in Europe mitigate the impact of the energy supply crisis and the changes brought about by sanctions against Russia. The modularity and flexibility of HUI plants allow for customisation to satisfy local demand, enabling them to switch between different outputs as needed We live in a world of flux, but it is difficult to foresee a time when cheap Russian gas will once again be available to use in the West. During the winter I travelled to Ukraine to try and understand the magnitude of the problem and explore how this epochal event might transform energy markets in Ukraine. Ukrainians have displayed extraordinary bravery and fortitude. Despite the devastating damage done to the country and its people, they remain committed to rebuilding their nation and their economy. As part of this effort, I would like to see a new Ukraine powered, in part, by HUI plants.

HUI stands on two pillars: building the first of a kind plastic waste to hydrogen plant and creating a substantial project pipeline for future projects. Due to high interest in our business in Poland, in January our Polish subsidiary, Hydropolis United, assisted by SWECO, signed a letter of intent with RZZO, a municipal waste management company in Ostrów Wielkopolski, Greater Poland. RZZO has agreed that it will provide land and utilities to operate a plant, assist with permits, source waste plastic feedstock and help secure funding.

One of the most significant events later in the year was the completion in October of a memorandum of understanding ("MOU") with Elkard sp. Z o.o. Sp.K. ("Elkard"), a company based in Torun, Poland. The MOU pertains to the development of a plastic waste processing plant that will produce hydrogen, electricity, and heat. Under the MOU, Elkard and Hydropolis will begin planning and creating an HUI Plant by identifying a suitable site, seeking grants or subsidies for the project, and preparing the necessary environmental reports and documentation. The two companies will share the costs of this work, and it is expected that a special purpose vehicle will be established for financing and operating the HUI plant in the future. Elkard is one of the companies owned by one of the wealthiest families in Poland.

Our long-term plan is to expand HUI across all European Union countries and Ireland was always a priority for us because of its proud history as an entrepreneurial and business-friendly nation. Ireland is currently our most important project and we had been searching for the right site for some time. In November HUI announced it had signed an agreement with Fisherstown Property Holdings Limited (FPH) for the lease of a 2.5 acre greenfield site in the 78-acre Fisherstown Energy Park at Fisherstown in County Longford, Ireland. This is the initial step in building HUI's first operational full- scale waste plastic to hydrogen facility in Europe. The Longford site has its own electrical grid connection, an electrical sub-station and the potential to use the existing wastewater treatment facilities, as well as potential power sources from a planned solar farm and other energy facilities. The site also has excellent road access and is within easy reach of major motorways. This has subsequently led to us entering into an option to take a 25 year lease of the site. The decision to focus on the Longford project in Ireland means that HUI will not be progressing the construction of an HUI facility on the previously identified Tipperary site with Trifol Resources Limited (TRL). However, HUI remains fully supportive of TRL and its investment in TRL. As a result of the decision to focus on Longford, HUI's working capital position will be substantially better than previously anticipated.

In order to increase the pace of our progress, during the year we agreed to partner with Powerhouse Energy Group PLC (AIM: PHE) in Konin, Poland and in Ireland - our two flagship projects.

As HUI grew we have also expanded our team. We appointed Mr Howard White as an executive director in April. Howard is an accomplished entrepreneur with a diverse skillset and a focus on low carbon energy. He began his career in mainframe computing systems in 1973 and has successfully transformed a number of distressed businesses acquired from public limited companies. Howard became a director and major shareholder of Christy Hunt Plc in 1987 and oversaw the acquisition of Deritend Stamping PLC. He later became a director and major shareholder of Stanelco PLC before founding AFC Energy in 2006. In 2008, he founded Waste2tricity Ltd, a technology company that was eventually sold to Powerhouse Energy PLC for £55 million. Howard supported HUI in its IPO as a cornerstone investor with a £1 million subscription. On July 26th, 2022, it was announced that he had bought 55,500 Ordinary Shares at a price of 9 pence per share and he is currently the fourth largest shareholder in HUI.

HUI is very fortunate to benefit from the enormous generosity of its shareholders, especially Conrad Griffiths, KC, who provided significant financial support to the company by advancing a Convertible Loan Facility of EUR 650,000 in October. The loan was interest-free until 31 December 2022, after which interest accrues at a rate of 5% per annum, and is repayable on 31 December 2025. The loan may be converted into fully paid HUI ordinary shares at a conversion price of 20p per share. The funds will be used for working capital and investment capital requirements.

We also appointed James Nicholls-May as our Chief Financial Officer in April. James, a graduate of Management and Mathematics from the University of Sheffield, brings extensive finance experience to his new role. He was previously Head of Finance at ASL Global, a global marketing services group, and European Finance Manager for Airways Aviation Academy Limited. James has operated in 55 markets, and he will play a crucial role in our future expansion. He is an incredible asset to the Company.

To provide additional technical expertise, we appointed Duncan Snelling as an Engineering Consultant. Duncan is a Chartered Engineer with over 25 years of experience in project development and management, specialising in industrial gases, hydrogen generation, carbon capture, and renewable energy. He has worked on engineering projects across various regions, including the UK, Europe, the Middle East, Africa, and Asia, primarily with Air Products, where he spent most of his career as part of the global engineering business. Duncan obtained his Electrical Engineering degree from the University of Queensland, Australia, and his Master of Science from Imperial College, London. He has extensive knowledge of project management tools and techniques, as well as business process analysis. Thanks to Duncan we have made huge progress on the technical part of the business.

Many of you are already aware of our accomplishments so far in 2023. We are investing in marketing and outreach initiatives to raise awareness of our projects and their potential benefits, as well as engaging with policymakers and other stakeholders to advocate for supportive policies and regulations. But my excitement about the future is tempered by anxiety about the scale of the environmental catastrophe our planet faces. Plastic pollution is a global problem and it is imperative that we work together to solve it . I cited Viktor Frankl earlier and I make no apologies for ending by quoting him again. "Everyone has his own specific vocation or mission in life; everyone must carry out a concrete assignment that demands fulfillment. Therein he cannot be replaced, nor can his life be repeated, thus, everyone's task is unique as his specific opportunity to implement it."

My vocation is to create value for our shareholders, who have believed in HUI from the beginning and continue to do so. I sincerely hope our shareholder base will grow. It is only with your support that we can complete our mission to build the first plastic to hydrogen facility in the world.

Yours faithfully,

A Binkowska
Chief Executive Officer

28 April 2023

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Administrative expenses		**(1,492,297)**	(1,036,645)
Operating loss	5	**(1,492,297)**	(1,036,645)
Investment revenues	6	**4**	184
Loss before taxation		**(1,492,293)**	(1,036,461)
Income tax expense	7	**-**	-
Loss for the year		**(1,492,293)**	(1,036,461)

(Loss)/Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

	Notes	2022	2021
Earnings per share	8		
Basic (pence)		**(0.48)**	(0.40)
Earnings per share from continuing operations			
Basic (pence)		**(0.48)**	(0.40)

The income statement has been prepared on the basis that all operations are continuing operations.

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Non-current assets			
Property, plant and equipment	9	**516,308**	386,533
Investments	10	**425,315**	-
		941,623	386,533
Current assets			
Trade and other receivables	12	**97,855**	1,995,864
Cash and cash equivalents		**2,993,960**	2,697,612
		3,091,815	4,693,476
Current liabilities			
Trade and other payables	13	**108,540**	505,071
Borrowings	14	**570,175**	-
		678,715	505,071
Net current assets		**2,413,100**	4,188,405
Net assets		**3,354,723**	4,574,938
Equity			
Called up share capital	18	**384,320**	344,320
Share premium account	19	**5,174,684**	3,214,684

Share premium account	19	**5,174,684**	2,214,684
Other reserves	21	**324,473**	3,052,395
Retained earnings		**(2,528,754)**	(1,036,461)
Total equity		**3,354,723**	4,574,938

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Other reserves £	Retained earnings £	Total £
Balance at 1 October 2020		-	-	-	-	-
Period ended 31 December 2021:						
Loss and total comprehensive income for the period		-	-	-	(1,036,461)	(1,036,461)
Issue of share capital	18	344,320	2,214,684	-	-	2,559,004
Recognition of shares to be issued		-	-	3,000,000	-	3,000,000
Share based payment expense		-	-	52,395	-	52,395
Balance at 31 December 2021		344,320	2,214,684	3,052,395	(1,036,461)	4,574,938
Year ended 31 December 2022:						
Loss and total comprehensive income for the year		**-**	**-**	**-**	**(1,492,293)**	**(1,492,293)**
Issue of share capital	18	**40,000**	**2,960,000**	**(3,000,000)**	**-**	**-**
Share based payment expense	21	**-**	**-**	**272,078**	**-**	**272,078**
Balance at 31 December 2022		**384,320**	**5,174,684**	**324,473**	**(2,528,754)**	**3,354,723**

GROUP STATEMENT OF CASHFLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		**281,625**		(594,920)
Net cash inflow/(outflow) from operating activities			**281,625**		(594,920)
Investing activities					
Purchase of unincorporated business		**(89)**		-	
Purchase of property, plant and equipment		**(130,052)**		(386,556)	
Purchase of investments		**(425,315)**		-	
Interest received		**4**		184	
Net cash used in investing activities			**(555,452)**		(386,372)
Financing activities					
Proceeds from issue of shares		**-**		3,678,904	
Proceeds from borrowings		**570,175**		-	
Net cash generated from financing activities			**570,175**		3,678,904
Net increase in cash and cash equivalents			**296,348**		2,697,612
Cash and cash equivalents at beginning of year			**2,697,612**		-
Cash and cash equivalents at end of year			**2,993,960**		2,697,612

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Hydrogen Utopia International PLC ("the company") is a public company limited by shares incorporated in England and Wales. The registered office is C/O Laytons Llp, 3rd Floor Pinners Hall, 105-108 Old Broad Street, London, United Kingdom, EC2N 1ER. The company's principal activities and nature of its operations are disclosed in the directors' report.

The group consists of Hydrogen Utopia International PLC and all of its subsidiaries.

1.1 Accounting convention

The financial statements have been prepared in accordance with UK adopted international accounting standards (IFRSs) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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

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

Changes in accounting policies and disclosures

The Group has applied, where applicable, the following new and revised IFRS standards and interpretations for the first time for their annual reporting period commencing 1 January 2022:

- IFRS 3 Business Combinations - Amendments to IFRS 3
- IFRS 1 First-time Adoption of IFRS, IFRS 9 Financial Instruments, IFRS 16 Leases -annual improvements 2018-2020 cycle
- IAS 16 Property, Plant and Equipment - proceeds before intended use
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- Onerous contracts-Cost of Fulfilling a contract (Amendment to IAS 37)

None of these new standards, amendments or interpretations, effective for the first time for the period beginning on or after 1 January 2022, have had a material impact on the Group.

Standards and interpretations not yet applicable

The following standards and interpretations (and amendments thereto), have been issued by the IASB and IFRIC which are not yet effective and have not been applied in these financial statements, many of which are either not relevant to the Group or have no impact on the financial statements of the Group:

	Effective Dates*
• FRS 17 Insurance Contracts and Amendments to IFRS 17	1 January 2023
• IAS 1 - Classification of liabilities	1 January 2023
• Disclosure of accounting policies(Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
• Definition of accounting estimates (Amendments to IAS 8)	1 January 2023
• Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction - Amendments to IAS 12 Income Taxes	1 January 2023
• Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)	1 January 2023
• Lease Liability in a Sale and Leaseback (Amendments to IFRS 16- Leases)	1 January 2024

* The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations. As the Group prepares its financial statements in accordance with IFRS that have been adopted by the UK to 31 December 2022, the application of new standards and interpretations will be subject to them having been endorsed for use in the UK from 1 January 2023. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the Group discretion to early adopt standards.

1.2 Business Combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Hydrogen Utopia International PLC together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

The Company acquired its 100% interest in HU2021 International UK Ltd (2021), Hydropolis United (2021), Plastic Gold (2021) and Alister Future Technologies by way of a share for share exchange. This is a business combination involving entities under common control and the consolidated financial statements are issued in the name of the Group, but they are a continuance of those of HU2021 International UK Ltd, Hydropolis United, Plastic Gold and Alister Future Technologies. Therefore, the assets and liabilities of HU2021 International UK Ltd, Hydropolis United, Plastic Gold and Alister Future Technologies have been recognised and measured in these consolidated financial statements at their pre combination carrying values. The retained earnings and other equity balances recognised in these consolidated financial statements are the retained earnings and other equity balances of the Company, HU2021 International UK Ltd, Hydropolis United, Plastic Gold and Alister Future Technologies. The equity structure appearing in these consolidated financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to affect the consolidation. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated during the consolidation process.

1.4 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. In coming to this conclusion, the directors have reviewed the group's working capital requirements over the next 18 months, taking into account the net proceeds from the share issue in January 2022. Reasonable downside sensitivities have been considered under differing scenarios in the working capital model all of which show the group has available financial resources to meet all commitments as they fall due. The cash position at the year-end was £3m. The directors continue to monitor cash forecasts closely and are involved in the day to day running of the business.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The nature, timing of satisfaction of performance obligations and significant payment terms of the group's major sources of revenue are as follows:

1.5 Property, plant and equipment

Property, plant and equipment 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:

Computers 20% Straight line

Assets Under Construction 5% Straight line (once in use)

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 recognised in the income statement.

1.6 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities 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 parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long-term interest and has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of tangible and intangible assets

At each reporting end date, the group reviews the carrying amounts of its tangible 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 group 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.

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.

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

1.9 Financial assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss
When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost
Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income
Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The parent company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

Impairment of financial assets
Financial assets, other than those measured at fair value through profit or 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 of the investment have been affected.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.10 Financial liabilities

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

1.11 Equity instruments

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

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

1.13 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 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. The group'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 is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from 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 income statement, 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 group 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 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.

1.14 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 inventories or non-current 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 group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

In the case of options granted, fair value is measured by a Black-Scholes pricing model.

1.17 Leases

At inception, the group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the group recognises a right- of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.18 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 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Estimation of share-based payment costs

Where appropriate, the Group estimates the fair value of share-based payments using the Black-Scholes model taking into account the terms and conditions upon which the share-based payment was granted.

3 Auditor's remuneration

Fees payable to the company's auditor and associates:

	2022 £	2021 £
For audit services		
Audit of the financial statements of the group and company	**30,000**	15,000
Audit of the financial statements of the company's subsidiaries	**4,000**	5,000
	34,000	20,000

Gerald Edelman LLP also received £33,500 for non-audit work in relation to reporting accountant services for the LSE main market listing.

4 Employees

	2022 Number	2021 Number
Directors	**6**	2
Employees	**1**	-
Total	**7**	2

The aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	**339,865**	63,334
Share based payments	**272,078**	52,395
Social security costs	**36,471**	1,653
Pension costs	**3,801**	305
	652,215	117,687

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

The highest paid director received £60,000 (2021 - £15,000) during the period with the company average remuneration of £48,552 (2021 - £15,000).

5 Operating profit/(loss)

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	**(3,676)**	8,289
Fees payable to the company's auditor for the audit of the company's financial statements	**30,000**	20,000
Depreciation of property, plant and equipment	**277**	23
Share-based payments	**272,078**	52,395

6 Investment income

	2022 £	2021 £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	**4**	184

7 Taxation

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2022 £	2021 £
Profit/(loss) before taxation	**(1,492,293)**	(1,036,461)

Expected tax credit based on a corporation tax rate of 19.00% (2021: 19.00%)	**(283,536)**	(196,928)
Unutilised tax losses carried forward	**283,536**	196,928
Taxation charge for the year	**-**	-

As at 31 December 2022 the Group had unrelieved tax losses of approximately £2,475,627 (2021 - £1,036,461). A deferred tax asset of £469,458 (2021 - £196,928) has not been recognised in respect of these losses. From 1 April 2023, the corporation tax rate is due to rise to 25%; given the directors do not expect to realise a profit before this date the deferred tax asset would increase to £611,478.

8 Earnings per share

	2022 £	2021 £
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	**312,852,798**	256,298,031
Earnings (all attributable to equity shareholders of the company)		
Continuing operations		
Loss for the period from continued operations	**(1,492,293)**	(1,036,461)
Earnings per share for continuing operations		
Basic earnings per share (pence)	**(0.48)**	0.40
Basic earnings per share		
From continuing operations (pence)	**(0.48)**	(0.40)

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares outstanding during the year.

9 Property, plant and equipment

	Assets under construction £	Computers £	Total £
Cost			
At 1 October 2020	-	-	-
Additions	384,862	1,694	386,556
At 31 December 2021	384,862	1,694	386,556
Additions	128,975	1,077	130,052
At 31 December 2022	**513,837**	**2,771**	**516,608**
Accumulated depreciation and impairment			
At 1 October 2020	-	-	-
Charge for the year	-	23	23
At 31 December 2021	-	23	23
Charge for the year	-	277	277
At 31 December 2022	**-**	**300**	**300**
Carrying amount			
At 31 December 2022	**513,837**	**2,471**	**516,308**
At 31 December 2021	384,862	1,671	386,533

The assets under construction are chemical conversion chambers for the HUI plant, which are being developed to shortly be installed in one of our facilities. The useful life of such an asset is expected to be 20 years and will be depreciated on a straight line basis once in use. The chamber is expected to be operational in January 2025.

10 Investments

	Current		Non-current	
	2022 £	2021 £	2022 £	2021 £
Investments held at amortised cost	**-**	-	**425,315**	-

Fair value of financial assets carried at amortised cost

Except as detailed below, the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

11 Subsidiaries

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

Name of undertaking	Registered office	Class of shares held	Direct	% Held Voting
HU2021 International UK Ltd	United Kingdom	Ordinary	100.00	100.00
Hydropolis United	Poland	Ordinary	100.00	100.00

Plastic Gold	Greece	Ordinary	100.00	100.00
Alister Future Technologies (AFT) Limited	Ireland	Ordinary	100.00	100.00
Eranova Longford Ltd	Ireland	Ordinary	100.00	100.00

The investments in subsidiaries are all stated at cost. Plastic Gold is a wholly controlled subsidiary by way of its shareholders giving full control to the directors of HUI PLC. Eranova Longford Ltd is a subsidiary of Alister Future Technologies (AFT) Ltd.

12 Trade and other receivables

	2022 £	2021 £
VAT recoverable	**53,781**	76,226
Other receivables	**652**	1,904,203
Prepayments	**43,422**	15,435
	97,855	1,995,864

Included within other receivables above is £nil (2021 - £1,880,000) in respect of shares to be issued not yet paid.

13 Trade and other payables

	2022 £	2021 £
Trade payables	**17,830**	137,686
Accruals	**89,934**	342,231
Social security and other taxation	**-**	9,873
Other payables	**776**	15,281
	108,540	505,071

	2022 £	2021 £
Borrowings held at amortised cost:		
Loans from shareholder	**570,175**	-

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 12 days. For most suppliers no interest is charged on amounts payable for the first 30 days after the date of the invoice. Thereafter, interest is charged at various rates. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade payables approximates to their fair value.

14 Borrowings

	2022 £	2021 £
Borrowings held at amortised cost:		
Loans from shareholder	**570,175**	-

15 Liquidity risk

The following table details the remaining contractual maturity for the group's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the group may be required to pay.

	Less than 1 month £
At 31 December 2021	
Trade and other payables	184,453
At 31 December 2022	
Trade and other payables	**108,540**

Liquidity risk management

Responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. In line with Note 13, the Company always pays its suppliers within contractual terms and per the cashflow and going concern note 1.4 the company has no liquidity issues as current assets, predominantly held in cash, far outweigh current liabilities.

16 Market risk

Market risk management

Foreign exchange risk

The carrying amounts of the group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets 2022	2021	Liabilities 2022	2021
	£	£	£	£
	947,934	41,688	**133,793**	86,146

Whilst the company takes steps to minimise its exposure to foreign exchange risk, changes in foreign exchange rates will have an impact on profit or loss.

The main currencies in which the Group operates are the Pound Sterling, Polish Złoty and the Euro.

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

Interest rate risk

Whilst the company takes steps to minimise its exposure to cash flow interest rate risk, changes in interest rates will have an impact on profit.

The group currently has minimal exposure to fair value interest rate risk due to lack of borrowings through bank overdrafts and loans.

17 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	**3,801**	305

The group operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the group. The company contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the group with respect to the scheme is to make the specified contributions.

18 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of 0.1p each	**384,320,000**	344,320,000	**384,320**	344,320

On 6 January 2022, the Company issued 40,000,000 shares of £0.001 each for a total consideration of £3,000,000.

19 Share premium account

	2022	2021
	£	£
At the beginning of the year	**2,214,684**	-
Issue of new shares	**2,960,000**	2,471,800
Transaction costs	**-**	(257,116)
At the end of the year	**5,174,684**	2,214,684

20 Share-based payment transactions

The company has a share option scheme for some employees. Options are exercisable at price equal to the average quoted market price of the company's shares on the date of grant. The vesting period is one year. If options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the company before the options vest.

	Number of share options 2022	2021	Weighted average exercise price 2022	2021
			£	£
Outstanding at 1 January 2022	**25,226,666**	-	**1,288,000**	-
Granted in the period	**2,329,730**	25,226,666	**218,350**	1,288,000
Forfeited in the period	**(1,066,666)**	-	**(80,000)**	-

Outstanding at 31 December 2022	**26,489,730**	25,226,666	**1,426,350**	1,288,000
Exercisable at 31 December 2022	**-**	24,160,000	**-**	1,208,000

The options outstanding at 31 December 2022 had an exercise price ranging from £0.05 to £0.09725, and a remaining contractual life of about 8.79 years.

During the period ended 31 December 2022, options were granted on 9 August 2022 and 10 August 2022. The weighted average fair value of the options on the measurement dates was £30,314. Fair value was measured using the Black-Scholes model.

Inputs were as follows:

	2022	2021
Weighted average share price	**0.054**	0.051
Weighted average exercise price	**0.054**	0.051
Expected volatility	**66%**	66%
Expected life	**1**	1
Risk free rate	**2.093%**	0.483%

Due to a lack of historical data, volatility was based on data from similar companies.

	2022 £	2021 £
Expenses		
Related to equity settled share based payments	**272,078**	52,395

21 Other reserves

	Shares to be issued reserve £	Share based payments reserve £	Total £
Balance at 1 October 2020	-	-	-
Additions	3,000,000	52,395	3,052,395
Balance at 31 December 2021	3,000,000	52,395	3,052,395
Additions	-	272,078	272,078
Other movements	(3,000,000)	-	(3,000,000)
Balance at 31 December 2022	**-**	**324,473**	**324,473**

Shares to be issued reserve consisted of funds received in advance of Admission in January 2022.

22 Acquisitions of a business

On 9 June 2022 the group incorporated in Ireland Alister Future Techologies (AFT) Limited, which is a wholly owned subsidiary of HUI.

On 29th July 2022 the group incorporated in Ireland Eranova Tipperary Limited, renamed as Eranova Longford Limited, a wholly owned subsidiary of AFT.

Net assets of business acquired	Book Value £	Adjustments £	Fair Value £
Trade and other receivables	**89**	**-**	**89**
Non-controlling interests Goodwill			- -
Total consideration			**89**

The consideration was satisfied by:	£
Cash	**89**

Net cash outflow arising on acquisition	£
Cash consideration	**89**
Less: Cash and cash equivalents acquired	**-**
	89

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Revenue	-

Revenue	-
Loss after tax	**(21,066)**

23 Capital risk management

The group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance,

The capital structure of the group consists of debt and equity comprising share capital, reserves and retained earnings. The group reviews the capital structure annually and as part of this review considers that cost of capital and the risks associated with each class of capital.

The group is not subject to any externally imposed capital requirements.

Currently the group will fund much of its first plant from shareholder equity raised funds. However, going forward the group has a high target gearing ratio as the group plans to raise debt against each plant to leverage relatively cheap debt costs in the current market.

24 Events after the reporting date

On 9 January 2023 the Company's Ordinary shares commences trading on the main market of the London Stock Exchange under symbol HUI.

On 11 January 2023, Executive Director, Howard White, purchased an additional 350,000 Ordinary Shares at an average price of 16.1277p per Ordinary Share, bringing his total interest in Ordinary Shares to 15,310,834.

On 23 January 2023 Novum Securities Limited exercised all of their warrants to subscribe for 1,200,000 new Ordinary Shares of 0.1p bringing the total number of Ordinary Shares/voting rights in the Company to 385,520,000.

On 14 February 2023 the Company's Ordinary Shares ceased to be traded on the AQSE main market.

On 21 March 2023 Heads of Terms were signed between HUI and Powerhouse Energy PLC (PHE) in relation to a joint venture (JV) at Longford, Ireland.

On 22 March 2023 the board of directors agreed to a corporate restructure of expenses incurred under HU2021 during 2020 and 2021 to be recharged to HUI as group expenses. Additionally the board agreed to transfer the ownership of the Assets under construction to HUI.

On 3 April 2023 Harold Tillman CBE was granted options over up to 6,666,666 HUI ordinary shares at an exercise price of 15p per share exercisable over different periods of time in the 4 years following his appointment.

On 7 April 2023 a company called HU Future B.V., incorporated in the Netherlands, was set up which is a wholly owned subsidiary of HUI.

25 Directors' transactions

As at 31 December 2022 the group owed £nil (2021 - £60) to A Binkowska and £nil (2021 - £40) to S Giles, directors of the company, in respect of interest free loans that are repayable on demand.

26 Ultimate controlling party

There is no controlling party of the group.

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2022 £	2021 £
Share-based payments	**272,078**	52,395

Other transactions with related parties

During the year the group paid expenses of £nil (2021 - £250) for Plastic Power Limited (A Binkowska) and £63 (2021 - £340) for The Plastic Neutrality Pledge (A Binkowska).

The following amounts were outstanding at the reporting end date:

As at 31 December 2022 the group was owed £250 (2021 - £250) by Plastic Power Limited (A Binkowska) and £403 (2021 - £340) by The Plastic Neutrality Pledge (A Binkowska) and owed £nil (2021 - £2,000) to Orison-IO Limited (H White).

28 Cash generated from/(absorbed by) operations

	2022	2021
	£	£
Loss for the year after tax	**(1,492,293)**	(1,036,461)
Adjustments for:		
Investment income	**(4)**	(184)
Depreciation and impairment of property, plant and equipment	**277**	23
Equity settled share based payment expense	**272,078**	52,395
Movements in working capital:		
Decrease/(increase) in trade and other receivables	**1,898,098**	(1,995,764)
(Decrease)/increase in trade and other payables	**(396,531)**	505,071
Recognition of shares to be issued	**-**	1,880,000
Cash generated from/(absorbed by) operations	**281,625**	(594,920)

The funds received from the initial IPO on the AQSE Growth market on 6 January 2022 were included in the 2021 accounts as other receivables. This has given rise to the movement in other receivables during 2022 leading to the positive cash generated from operations in 2022.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Non-current assets					
Property, plant and equipment	30		**1,433**		664
Investments	31		**426,331**		4,100
			427,764		4,764
Current assets					
Trade and other receivables	32	**1,339,646**		2,983,537	
Cash and cash equivalents		**2,986,727**		2,665,942	
		4,326,373		5,649,479	
Current liabilities		**(672,045)**		(429,622)	
Net current assets			**3,654,328**		5,219,857
Total assets less current liabilities			**4,082,092**		5,224,621
Equity					
Called up share capital	38		**384,320**		344,320
Share premium account			**5,174,684**		2,214,684
Other reserves			**324,473**		3,052,395
Retained earnings			**(1,801,385)**		(386,778)
Total equity			**4,082,092**		5,224,621

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £1,414,607 (2021 - £386,778).

COMPANY STATEMENT FOR CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Other reserves £	Retained earnings £	Total £
Balance at 1 October 2020		-	-	-	-	-
Period ended 31 December 2021:						
Loss and total comprehensive						

	Note					
income for the period		-	-	-	(386,778)	(386,778)
Recognition of shares to be issued		-	-	3,000,000	-	3,000,000
Share based payment expense		-	-	52,395	-	52,395
Issue of share capital	38	344,320	2,214,684	-	-	2,559,004
Balance at 31 December 2021		344,320	2,214,684	3,052,395	(386,778)	5,224,621
Year ended 31 December 2022:						
Loss and total comprehensive income for the year		**-**	**-**	**-**	**(1,414,607)**	**(1,414,607)**
Share based payment expense		**-**	**-**	**272,078**	**-**	**272,078**
Issue of share capital	38	**40,000**	**2,960,000**	**(3,000,000)**	**-**	**-**
Balance at 31 December 2022		**384,320**	**5,174,684**	**324,473**	**(1,801,385)**	**4,082,092**

29 Accounting policies

Company information

Hydrogen Utopia International PLC is a public company limited by shares incorporated in England and Wales. The registered office is Pinners Hall, 105-108 Old Broad Street, London EC2N 1ER. The company's principal activities and nature of its operations are disclosed in the directors' report.

29.1 Accounting convention

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

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of IAS 1 Presentation of Financial Statements to disclose information regarding the management of capital;
- The requirements of IAS 7 Statement of Cash Flows and related notes;
- The requirements of IAS 24 Related Party Disclosures to disclose key management personnel compensation and to disclose related party transactions entered into between members of a group, provided that any subsidiary which is a party to the transaction is wholly owned;
- Certain disclosures of IAS 36 Impairment of Assets relating assumptions and valuation techniques used in impairment calculations;
- The requirements of IFRS 2 Share Based Payments to disclose narrative information concerning share-based payment arrangements;
- The requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in respect of the impact standards in issue but not yet effective.

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 £.

The company applies accounting policies consistent with those applied by the group. To the extent that an accounting policy is relevant to both group and parent company financial statements, please refer to the group financial statements for disclosure of the relevant accounting policy.

29.2 Going concern

Refer to note 1.4 of the group financial statements.

29.3 Investments in subsidiaries

The Company's investment in its subsidiaries is carried at cost less provision for any impairment. Investments denominated in foreign currency are recorded using the rate of exchange at the date of acquisition. The carrying value is tested for impairment when there is an indication that the value of the investment might be impaired. When carrying out impairment tests these would be based upon future cash flow forecasts and these forecasts would be based upon management judgement.

30 Property, plant and equipment

	Computers £
Cost	
At 1 January 2022	**687**
Additions	**1,046**
At 31 December 2022	**1,733**

Accumulated depreciation and impairment

At 1 January 2022	**23**
Charge for the year	**277**
At 31 December 2022	**300**
Carrying amount	
At 31 December 2022	**1,433**
At 31 December 2021	664

31 Investments

		Current		Non-current
	2022	2021	2022	2021
	£	£	£	£
Investments held at amortised cost	**-**	-	**425,315**	-
Investments in subsidiaries	**-**	-	**1,016**	4,100
	-	-	**426,331**	4,100

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Investment in subsidiary undertakings

32 Trade and other receivables

	2022	2021
	£	£
VAT recoverable	35,978	42,931
Amounts owed by subsidiary undertakings	1,260,040	1,039,448
Other receivables	402	1,885,908
Prepayments	43,226	15,250
	1,339,646	2,983,537

Details of the company's principal operating subsidiaries are included in note 10.

Movements in non-current investments

	Shares in subsidiaries	Investments	Total
	£	£	£
Cost or valuation			
At 1 January 2022	**4,100**	**-**	**4,100**
Additions	**-**	**425,315**	**425,315**
Other movements	**(3,084)**	**-**	**(3,084)**
At 31 December 2022	**1,016**	**425,315**	**426,331**
Carrying amount			
At 31 December 2022	**1,016**	**425,315**	**426,331**
At 31 December 2021	4,100	-	4,100

Included within other receivables above is £nil (2021 - £1,880,000) in respect of shares to be issued not yet paid.

33 Trade and other payables

	2022	2021
	£	£
Trade payables	**16,595**	73,737
Accruals	**84,500**	332,731
Social security and other taxation	**-**	9,873
Other payables	**775**	13,281
	101,870	429,622

34 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2022	2021
	£	£

	£	£
Share-based payments	**272,078**	52,395
	272,078	52,395

Other transactions with related parties
The following amounts were outstanding at the reporting end date:

As at 31 December 2022 the company owed £nil (2021 - £2,000) to Orison-IO Limited (H White).

35 Events after the reporting date

Refer to note 24 of the group financial statements.

36 Ultimate controlling party

Refer to note 26 of the group financial statements.

37 Share-based payments

The company information for share-based payments is the same as the group information and is shown in note 20.

38 Share capital

Refer to note 18 of the group financial statements.