Mast Energy Developments PLC
(Incorporated in England and Wales)
(Registration Number: 12886458)
Share code on the LSE: MAST
ISIN: GB00BMBSCV12
("MED" or "the Company")

Results for the year ended 31 December 2023

Dated 30 April 2024

MAST Energy Developments PLC ('MED' or the 'Company') the UK-based multi-asset owner, developer and operator in the rapidly growing flexible energy market, is pleased to announce its audited results for the year ended 31 December 2023. A condensed set of financial statements accompanies this announcement below while the Company's full Annual Report and Financial Statements (MED Audited Annual Report and Financial Statements for the year ended 31 December 2023) can be found at the Company's website at www.med.energy.

The Company's Notice of Annual General Meeting will be announced separately in due course.

Overview of key events during the period up to the date of this report

- The Company continued to pursue its business growth strategy which was set to receive a significant boost with signing of a joint venture agreement ('JVA') with an institutional investor-led consortium in July 2023 which provided for an initial investment injection of £5.9m. Unfortunately, the investors could not fulfil their contractual obligations and the JVA had to be terminated.

- Post year-end, the Company successfully secured alternative funding under a funding facility for up to £4m with RiverFort further to an agreement signed with MED subsidiary Pyebridge.

- Returns at Pyebridge were interrupted by technical and market related challenges during the year. Toward the end of 2023 Pyebridge was put on care and maintenance to prepare for significant overhaul work. The new funding facility with RiverFort enabled re-commencement of work at Pyebridge post year-end and subsequent achievement of its Satisfactory Performance Days requirement.

- MED's Pyebridge site has secured Capacity Market contracts to ensure minimum gross profit margin income totalling c. £1,125,000 until 2028, in addition to its revenue generation via its PPA with Statkraft.

- MED continued to work with its projects' EPC contractors, gas- and grid connection providers to ensure its existing shovel-ready sites remain in good standing. A Certificate of Lawful Commencement was received for Hindlip Lane and initial pre-construction work was started.

- The Company continues to source and conduct due diligence on potential shovel-ready and operating sites that meet its investment criteria for acquisition in order to further grow its portfolio.

This announcement contains inside information for the purposes of the UK version of the Market Abuse Regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR"). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

ENDS

For further information please visit www.med.energy or contact:

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Jon Belliss	+44 (0)20 7399 9425	Novum Securities	Corporate Broker

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

BOARD OF DIRECTORS:	Louis Lodewyk Coetzee (Non-Executive Chairman) Pieter Krügel (Chief Executive Officer) Paul Venter (Non-Executive Director) Dominic Traynor (Non-Executive Director)
REGISTERED OFFICE AND BUSINESS ADDRESS:	Salisbury House London Wall London EC2M 5PS
COMPANY SECRETARY:	Noel Flannan O'Keeffe Salisbury House London Wall London EC2M 5PS
PLACE OF INCORPORATION:	England & Wales
AUDITORS:	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
BROKERS:	Novum Securities Limited 2nd Floor 7-10 Chandos Street London W1G 9DQ
REGISTRAR:	Link Group Unit 10 Central Square 29 Wellington Street Leeds LS1 4DL
SOLICITORS:	Druces LLP Salisbury House London Wall London EC2M 5PS
PRINCIPLE BANKERS:	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP
STOCK EXCHANGE LISTING:	London Stock Exchange: Main Market (Share code: MAST)
WEBSITE:	www.med.energy
DATE OF INCORPORATION:	17 September 2020
REGISTERED NUMBER:	12886458

CHAIRMANS REPORT

I am pleased to provide a review of MAST Energy Developments PLC ('MED' or the 'Company') and its subsidiaries' (collectively, the 'Group') activities and audited financial statements for the year ended 31 December 2023.

The last year has seen the Company continue to pursue its business strategy to expand its operations in the flexible power market in the United Kingdom, with the objective to reach a 300 MW portfolio within 36-58 months by acquiring, developing and operating multiple small-scale flexible power generation plants across Great Britain. This strategy was set to receive a significant boost with the signing of a joint venture agreement with an institutional investor-led consortium, led by Seira Capital Ltd ("Seira") in May 2023. The agreement provided for an initial injection of £5.9m into the joint venture company (JV 1) and a commitment to finalise terms on a second joint venture (JV 2) which would inject a further £25.1m of joint venture funding. Together JV 1 and JV 2 would comprise a total portfolio of low-carbon flexible gas generation peaker plants with a total combined generation output of up to c. 33 MW, to be developed and/or acquired, constructed and in production and income generating within 18 months. Regrettably, the Company faced unanticipated challenges in closing the joint ventures and availing of the JV funding during 2023, as a result of non-performance, initially by Seira, and then by Proventure Holdings limited ("Proventure") who stepped in as the lead-investor Seira failed to fulfil their contractual obligations under JV 1. Unfortunately, having given both Seira and Proventure every opportunity to fulfil their contractual obligations under the joint ventures and in the absence of no joint venture funding materialising, we were left with no choice but to terminate both joint ventures.

The Company did however manage to successfully secure alternative funding under a loan facility for up to £4m with institutional investor, RiverFort Global Opportunities PLC Limited, further to an agreement signed with MED subsidiary Pyebridge Power Ltd ("Pyebridge") on 28 February 2024. This funding enabled the Company to take Pyebridge out of care and maintenance with operations at Pyebridge set to re-commence later in 2024.

In spite of the funding setbacks referred to above good progress was made with pre-development activities at the Company's remaining projects. In May 2023, we received planning consent from the local council for Rochdale, thus ensuring that this project now enjoys construction-ready status. During February 2023 MED was also successful in obtaining T-1 and T-4 Capacity Market ("CM") contracts for Pyebridge at tariffs of £60/kW/pa for the T1 and a record tariff of £63/kW/pa for the T-4. We are particularly pleased with the fact that the T-4 contract replaced a previous T4 contract priced at £8/kW/pa.

During its initial 9-month period of operation as a gas-fuelled flexible power plant from March to November 2022, Pyebridge delivered exceptional returns, including outperforming the market sales price by 88% and thus validating the Company's strategy and ability to outperform the market principally as a result of astute utilisation of trading algorithm, in conjunction with its PPA Route-to-Market partner, Statkraft (see RNS announcement dated 27 February 2023). During 2023, continuation of the exceptional returns at Pyebridge were interrupted by technical and market related challenges. These challenges included the necessity for remediation work at Pyebridge following a fire incident which resulted in a temporary suspension of operations in the period 22 November 2022 to 17 February 2023. This work was implemented to ensure that the site continues to operate within required safety and regulatory parameters. Pyebridge also faced some market related head winds during 2023 with the yearly average electricity prices significantly less at £94.48/MWh (2022: 174.96 MWh). It was decided to put Pyebridge into care and maintenance, in preparation for a significant overhaul work programme planned for the site's engines in October 2023 and the realistic expectation at the time, of significant investment flowing into MED that would not only have allowed for the refurbishment of the Pyebridge site, but also the concurrent construction and commissioning of several of MED's remaining projects not yet in production.

During 2023 work however continued on various fronts within MED and we continued to liaise with our EPC contractors, gas and grid connection providers and all other stakeholders on our Bordersley, Hindlip, Rochdale and Stather sites to ensure they remain in good standing pending resumption of construction at Bordersley and commencement of construction at Hindlip and Rochdale once funding is available. The Company continues to source and conduct due diligence on potential shovel-ready and operating sites that meet its investment criteria, with several flexible-power site acquisition opportunities currently under review.

With regards to corporate matters, MED was able to successfully agree a reprofiling of the outstanding balances on MED's two existing loan facilities held through an institutional lender group during May 2023. The aggregate balance outstanding on two existing loans amounting to £729,750 was transferred as an initial advance on a new loan agreement (the 'Reprofiling Agreement') and an additional advance on one of the existing loans of £100,000 was availed to MED in conjunction with the signing of the Reprofiling Agreement. The terms of the Reprofiling Agreement afforded MED additional funding assistance during 2023 and was particularly welcome considering the non-receipt of the Seira and Proventure investment. MED also issued an additional 46,401,338 new shares during 2023 comprising 14,754,914 (value of £107,072) in respect of conversions by the institutional investors of a portion of outstanding balance under the Reprofiling Agreement and 31,646,424 (value of £468,999) as part payment in shares of the outstanding balance on a loan account with MED's major shareholder, Kibo Energy Plc.

The impact of the evolving UK Government response to climate change and changes to the regulatory environment, as well as the ongoing conflicts in the Ukraine and the Middle East are current events that may result in continued volatility in energy prices for the foreseeable future. MED remains confident and optimistic that our corporate strategy remains on point and that the Company will be able to deliver positive results with its robust projects portfolio over the course of the next 12 months and beyond.

In conclusion I would like to thank Pieter Krügel and his management team for their ongoing execution of the MED business strategy in what has proved to be an extremely challenging period during 2023, especially when considering all the unforeseen negative external events they were challenged with. Together with the other members of the MED board, I look forward to supporting them as we build towards our target of 300 MW of flexible power available to the UK energy market over the next few years.

This report was approved on 29 April 2024 and signed by:

Louis Coetzee
Non-Executive Chairman

Financial summary of the MAST Energy Developments PLC Group

The following information is included to highlight the financial performance of the Group in its inaugural period of operations.

Description	**Year ended 31 December 2023**	**Year ended 31 December 2022**
Revenue	341,207	1,036,743
Cost of sales	(223,838)	(778,802)
Administrative expenses	(941,941)	(921,769)
Listing and capital raising fees	(464,853)	(107,676)
Project expenditure	(343,718)	(661,079)
Impairment	(1,857,604)	(1,288,578)
Other income	40,375	86,558
Finance income	1,117	-
Finance costs	(90,139)	(98,397)
Loss for the period	**(3,539,394)**	**(2,733,000)**

The increase in the loss year-on-year, as disclosed in the table above and in the statement of comprehensive income, is mainly owing to the following reasons:

- Revenue decreased due the Pyebridge site that undergone fire and safety improvements and inspections following a fire incident in 2022, and the site being put in care and maintenance toward the end of 2023 to prepare for the planned overhauls per the JV agreements. This also directly resulted in the decrease in cost of sales.
- The start of the Pyebridge T-1 Capacity Market contract in October 2023 increased revenue

earnings.

- Project expenses were lower in 2023 as the sites did not require as much investment than in 2022 since the majority of sites are awaiting funding to commence/continue construction.
- The increase in listing costs is mainly due to shares that were issued on two separate occasions during 2023 as described in note 15.
- The impairment expense in 2022 was high due the pressure on the UK economy which influenced the assumptions used by management for the impairment assessment. The impairment expense in 2023 is largely due to and reflects the current market conditions, most notably the high inflation and interest rate environment. These conditions have already started easing globally and in the UK and we do not expect that it will materially impact our ability to attract future investments and capex funding for our projects. MED's projects deliver and essential product to the UK market which is in short supply. The impairment relates to the carrying value of the property, plant and equipment and intangible assets related to the Bordersley site (c.£1.6m) and Stather Road site (c. £ 208k). It should be considered that since not all the projects are in construction, yet management had to make judgments and estimates as described in the accounting policies. The value of assets may increase when construction is started and estimates that are included in the calculation can be replaced with known information.

There have been no dividends declared or paid during the current financial period (2022: £ Nil).

REPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';

b) the Directors' Statement includes a fair review of the information required by the Disclosure and Transparency Rule DTR 4.2.7R (indication of important events during the year); and

c) the Directors' Statement includes a fair review of the information required by the Disclosure and Transparency Rule DTR 4.2.8R (disclosure of related party transactions and changes therein); and

d) this report contains certain forward-looking statements with respect to the operations, performance, and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated.

The forward-looking statements reflect knowledge and information available at the date of preparation of this financial report and the Company undertakes no obligation to update these forward-looking statements.

Nothing in this financial report should be construed as a profit forecast.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group	
	Year ended 31 December 2023	**Year ended 31 December 2022**

	Note	Audited £	Audited £
Revenue		341,207	1,036,743
Cost of sales		(223,838)	(778,802)
Gross profit/(loss)		**117,369**	**257,941**
Administrative expenses		(941,941)	(921,769)
Listing and other corporate fees		(464,853)	(107,676)
Project expenditure		(343,718)	(661,079)
Impairment	7&8	(1,857,604)	(1,288,578)
Operating loss		**(3,490,747)**	**(2,721,161)**
Other income		40,375	86,558
Finance income		1,117	-
Finance costs		(90,139)	(98,397)
Loss before tax		**(3,539,394)**	**(2,733,000)**
Taxation		-	-
Loss for the period		**(3,539,394)**	**(2,733,000)**
Total comprehensive loss for the period		**(3,539,394)**	**(2,733,000)**
Loss for the period		**(3,539,394)**	**(2,733,000)**
Attributable to the owners of the parent		(3,539,394)	(2,733,000)
Attributable to the non-controlling interest		-	-
Total comprehensive loss for the period		**(3,539,394)**	**(2,733,000)**
Attributable to the owners of the parent		(3,539,394)	(2,733,000)
Loss Per Share			
Basic loss per share(pence)	6	(1.51)	(1.36)
Diluted loss per share(pence)	6	(1.51)	(1.36)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Group	
		31 December 2022	31 December 2022
		Audited	Audited
	Note	£	£
Assets			
Non Current Assets			
Property, plant and equipment	7	2,080,869	2,552,837
Intangible assets	8	397,779	1,795,683
Total non-current assets		**2,478,648**	4,348,520
Current Assets			
Other receivables		122,649	136,801
Cash and cash equivalents		252	132,184
Total current assets		**122,901**	**268,985**
Total Assets		**2,601,549**	**4,617,505**
Equity and Liabilities			
Equity			
Called up share capital	10	263,854	217,453
Share premium account	10	13,183,277	12,653,607
Share reserve		81,329	-
Warrant reserve	12	380,741	-
Common control reserve	11	383,048	383,048
Non-controlling interest acquired	11	(4,065,586)	(4,065,586)
Retained deficit		(10,611,172)	(7,071,778)
Attributable to equity holders of the parent		**(384,509)**	**2,116,744**
Non-controlling interest		-	-
Total Equity		**(384,509)**	**2,116,744**
Liabilities			
Non-current Liabilities			
Lease liability	7	405,390	346,674
Other financial liabilities	14	318,925	243,056
Total non-current liabilities		**724,315**	**589,730**

Current Liabilities

Current Liabilities			
Loans from related parties	13	849,253	1,231,535
Trade and other payables		941,688	300,324
Other financial liabilities	14	444,365	354,805
Lease liability	7	4,205	3,980
CLN Derivative liability	14	22,232	20,386
Total current liabilities		**2,261,743**	**1,911,030**
Total Liabilities		**2,986,058**	**2,500,760**
Total Equity and Liabilities		**2,601,549**	**4,617,505**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Share Premium	Share Reserve	Common Control Reserve	Warrant Reserve	Non-controlling interest acquired	I
	£	£	£	£	£	£	
Balance at 31 December 2021	**188,717**	**11,682,343**	**-**	**383,048**	**-**	**(4,065,586)**	**(4,3**
Total comprehensive loss for the period	-	-	-	-	-	-	(2,
Loan with holding company settled in shares	28,736	971,264	-	-	-	-	
Balance at 31 December 2022	**217,453**	**12,653,607**	**-**	**383,048**	**-**	**(4,065,586)**	**(7,(**
Total comprehensive loss for the period	-	-	-	-	-	-	(3,
Warrants issued during the year	-	-	-	-	380,741	-	
Loans partially settled in shares	47,755	92,317	-	-	-	-	
Director's loan repayable in shares	-	-	81.329	-	-	-	
Loan with holding company settled in shares	31,646	437,353	-	-	-	-	
Balance at 31 December 2023	**263,854**	**13,183,277**	**81,329**	**383,048**	**380,741**	**(4,065,586)**	**(10,6**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

		Group	
		Year ended 31 December 2023	**Year ended 31 December 2022**
		Audited	**Audited**
	Notes	**£**	**£**
Cash flows from operating activities			
Loss for the period before taxation		**(3,539,394)**	**(2,733,000)**
Adjustments for non-cash items:			
Depreciation	7	74,542	65,948
Impairment of intangible assets	8	1,397,904	1,288,578
Impairment of PPE		459,700	-
Implementation fee on reprofiling of convertible loan notes		48,950	-
Loss/(gain) on revaluation of CLN derivative liabilities		86,558	(86,558)
Non-cash interest accrued		88,731	96,828
Other non-cash items		369	(2,085)

Other non-cash items		369	(2,085)
		(1,382,640)	**(1,370,289)**
Movement in working capital			
Decrease/(increase) in debtors		14,152	45,043
Increase in creditors		641,363	40,819
		655,515	**85,862**
Net cash outflows from operating activities		**(727,125)**	**(1,284,427)**
Cash flows from investing activities			
Deferred payment on Pyebridge paid		-	(555,535)
Intangible assets acquired		-	(338,988)
Property, plant and equipment acquired		-	(79,827)
Net cash outflows from investing activities		**-**	**(974,350)**
Cash flows from financing activities			
Lease liability repaid	7	(39,292)	(27,000)
Loans from related parties repaid	13	-	(37,500)
Proceeds from convertible loan notes	14	85,800	650,000
Proceeds from director's loan		81,329	-
Proceeds from shareholder's loan		86,615	-
Warrants issued		380,741	-
Net cash flows financing activities		**595,193**	**585,000**
Net (decrease) / increase in cash and cash equivalents		**(131,932)**	**(1,673,277)**
Cash and cash equivalents at beginning of period		132,184	1,805,461
Cash and cash equivalents at end of the period		**252**	**132,184**

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1: General information

MAST Energy Developments PLC ('MAST' or 'MED' or the 'Company') is incorporated in England & Wales as a public limited company. The Company's registered office is located at 55 Ludgate Hill, London, United Kingdom, EC4M 7JW.

The principal activity of MAST, through its subsidiaries (together the 'Group'), is to acquire and develop a portfolio of flexible power plants in the UK and become a multi-asset operator in the rapidly growing Reserve Power market.

Note 2: Statement of Preparation

The condensed consolidated financial statements are prepared on the historical cost basis, unless otherwise stated. The Group's accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2020 of the ultimate holding Company, except for the adoption of new or amended standards applicable from 1 January 2021, which had no material impact on the financial statements of the Group.

The condensed consolidated financial statements of the Company have been prepared in compliance with the framework concepts and the measurement and recognition requirements of IAS 34, IFRS as issued by the International Accounting Standards Board.

The condensed consolidated financial statements of the Group is presented in Pounds Sterling, which is the functional and presentation currency for the Group and its related subsidiaries.

The condensed consolidated financial statements do not represent statutory accounts within the meaning of section 435 of the Companies Act 2016.

The condensed consolidated financial statements have not been audited or reviewed by the Group's auditors; thus, no assurance is provided therein.

The Directors acknowledge they are responsible for the fair presentation of these condensed consolidated financial statements.

Note 3: Consolidation

The consolidated annual financial statements comprise the financial statements of MAST Energy Developments PLC and its subsidiaries for the year ended 31 December 2023, over which the Company has control.

Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Intragroup balances and any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial statements, except to the extent they provide evidence of impairment.

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

Non-controlling interest arising from a business combination is measured either at their share of the net asset value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations.

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Note 4: Going concern

The financial results have been prepared on the going concern basis that contemplates the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business.

In performing the going concern assessment, the Board considered various factors, including the availability of cash and cash equivalents, data relating to working capital requirements for the foreseeable future, cashflows from operational commencement, available information about the future, the possible outcomes of planned events, changes in future conditions, the Ukraine conflict, and the responses to such events and conditions that would be available to the Board.

The Board has, inter alia, considered the following specific factors in determining whether the Group is a going concern:

- The total comprehensive loss for the year of £3,539,394 compared to £2,733,000 for the preceding

12 month-financial period;

- Cash and cash equivalents readily available to the Group in the amount of £252 in order to pay its creditors and maturing liabilities in the amount of £2,261,743 as and when they fall due and meet its operating costs for the ensuing twelve months;
- Whether the Group has available cash resources, or equivalent short term funding opportunities in the foreseeable future, to deploy in developing and growing existing operations or invest in new opportunities;
- Post reporting period end, on 28 February 2024, the Company announced a funding agreement with an initial funding facility up to £4,000,000 with RiverFort Global Opportunities PCC Limited ('RiverFort") and a first drawdown of £438,000 was advanced under the facility. Follow-on drawdowns are at RiverFort's discretion and conditional on an agreed budget and restructuring of the Company's liabilities.

The Directors have evaluated the Group's liquidity requirements to confirm whether the Group has adequate cash resources to continue as a going concern for the foreseeable future. Considering the net current liability position, the Directors have reviewed two financial projections to 30 August 2025: a base-case scenario based on the existing budget, and a severe but plausible scenario, all of which include estimates and assumptions regarding the future revenues and costs and timing of these. One base-case scenario includes financial projections to include non-committed expenditure such as engine overhauls or further development of the existing sites, the other scenario excludes non-committed expenditure.

The base case cash flow forecast is forecasting a positive cash balance for the full forecast period, based on the assumption that further drawdowns on the GBP4m facility with RiverFort as disclosed in the RNS dated 28 February 2024 are available to the Company for drawdown as and when required. The cashflow forecast is reliant on a successful drawdown on a current facility, as well as successful electricity generation by Pyebridge. Unforeseen challenges with either of the aforementioned cause a risk that the Company may not be able to meet its current liabilities without another cash injection. In the event that further funding cannot be secured, the Group may experience continuous cash shortfalls over the next 18 months.

Under the severe but plausible scenario, the group experiences cash shortfall throughout the forecast period starting in April 2024. The severe but plausible cashflow projection does not provide for capital expenditure required for significant improvements to the current sites and includes reduced revenues from Pyebridge based on non-overhauled engines and the guaranteed capacity market income. Thereby evaluating the impact if a further drawdown is not successful. The directors are in negotiations with funders and lenders to upgrade and/or develop the sites as per the business model of the Company.

In response to the net current liability position and to address future cashflow requirements, detailed liquidity improvement initiatives have been identified and are being pursued, with their implementation regularly monitored in order to ensure the Group is able to alleviate the liquidity constraints in the foreseeable future. Cost saving measures were identified and implemented on operational expenditure. Further, from April 2024 a reduction in Directors' remuneration has been implemented.

The Group has identified the below options in order to address the liquidity risk the Group faces on an ongoing basis. The ability of the Group to continue as a going concern is dependent on the successful implementation or conclusion of one or more of the below:

- The successful drawdown on the funding facility of £4,000,000 with RiverFort. There are terms and conditions limiting the drawdown which has to be adhered to.
- Raising of short- and medium-term working capital and project capex funding, by way of capital placings.
- Successful conclusion of current funding opportunities of the Group with strategic funders regarding the funding of specific projects and/or the business.
- Obtaining debt funding or other funding instruments such as credit loan notes to fund MED projects.
- Successful cash generation from the Pyebridge power-generation facilities in order to achieve net-cash positive contributions toward the larger Group;
- Successful subordination of the Kibo Mining (Cyprus) Limited loan, resulting in the deferral of loans payable in the foreseeable future beyond a 12-month period after sign off of these financial statements.

Although there is no guarantee, the Directors have a reasonable expectation that the Group will be able to raise further financing to support its ongoing development and commercialisation activities and continue in operational existence for the next 12 months, from date of sign off of these financial statements. The directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern and that, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. As the Board is confident it would be able to successfully implement the above responses, it has adopted the going concern basis of accounting in preparing the consolidated financial statements.

Note 5: Segmental Reporting

The Group discloses segmental analysis based on its different operations, being Bordersley, Rochdale . ADV 001 (Hindlip Lane), ARL 018 (Stather Road) and Pyebridge

31 December 2023	**ADV001 Hindlip Lane**	**ARL018 Stather Road**	**Bordersley**	**Rochdale**	**Pyebridge**	**Treasury and Investment**	**Group**
	(£)	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Revenue	-	-	-	-	341,207	-	341,207
Cost of sales	-	-	-	-	(223,838)	-	(223,838)
Administration and other expenses	(14,032)	(20,313)	(37,736)	(9,377)	(46,424)	(1,319,017)	(1,447,169)
Impairment	-	(208,398)	(1,649,206)	-	-	-	(1,857,604)
Project costs	(38,434)	(4,743)	(27,972)	(23,396)	(173,631)	-	(296,176)
Other income	-	-	-	-	126,933	(86,558)	40,375
Depreciation	-	(2,509)	(11,941)	-	(58,504)	(1,589)	(74,542)
Operating loss	**(52,736)**	**(236,963)**	**(1,726,855)**	**(32,773)**	**(34,257)**	**(1,407,163)**	**(3,490,747)**
Total assets	**9,163**	**117,215**	**392,155**	**91,134**	**2,020,584**	**28,702**	**2,601,549**
Capital expenditure	-	-	-	-	-	-	-
Total liabilities	**(25,979)**	**(139,276)**	**(389,225)**	**(38,391)**	**(174,537)**	**(2,218,650)**	**(2,986,058)**

31 December 2022	**ADV001 Hindlip Lane**	**ARL018 Stather Road**	**Bordersley**	**Rochdale**	**Pyebridge**	**Treasury and Investment**	**Group**
	(£)	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Revenue	-	-	-	-	1,036,743	-	1,036,743
Cost of sales	-	-	-	-	(778,802)	-	(778,802)
Administration and other expenses	(22,617)	(9,713)	(58,663)	(10,763)	(177)	(1,025,909)	(1,127,842)
Impairment	-	-	(1,288,578)	-	-	-	(1,288,578)
Project costs	(988)	(1,254)	(222,296)	(104,090)	(255,601)	(11,529)	(595,758)
Depreciation	-	-	(11,938)	-	(52,632)	(751)	(65,321)
Other income	-	-	-	-	-	(86,558)	(86,558)
Loss before tax	**(23,605)**	**(10,967)**	**(1,581,475)**	**(114,853)**	**(50,469)**	**(951,631)**	**(2,733,000)**
Total assets	**265,170**	**210,907**	**1,733,554**	**262,043**	**2,082,352**	**63,488**	**4,617,505**
Capital expenditure	57,962	-	17,099	-	-	4,766	79,827
Total liabilities	**-**	**(109,898)**	**(296,984)**	**(6,897)**	**(133,650)**	**(1,953,331)**	**(2,500,761)**

As the Group currently operates solely from the United Kingdom, consequently there is no segmented disclosure with regard to different geographic areas of operation.

Note 6: Loss per share

Basic loss per share

The basic loss and weighted average number of ordinary shares used for calculation purposes comprise the following:

Basic loss per share	**31 December 2023 (£)**	**31 December 2022 (£)**
Loss for the period attributable to equity holders of the parent	(3,539,394)	(2,733,000)
Weighted average number of ordinary shares for the purposes of basic loss per share	234,172,196	200,919,900

Basic loss per ordinary share (pence)	(1.51)	(1.36)

The Group has no dilutive instruments in issue as at year end.

Note 7: Property, plant and equipment

Group	**Land**	**Plant & Machinery**	**Right of use assets**	**Computer Equipment**	**Asset under construction**	**Total**
Cost	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Opening Cost as at 1 January 2023	**602,500**	**1,665,429**	**355,883**	**4,766**	**-**	**2,628,578**
Change in lease	-	-	62,274	-	-	62,274
Additions	-	-	-	-	-	
Disposals	-	-	-	-	-	-
Transfer between classes	-	(126,800)	-	-	126,800	-
Closing Cost as at 31 December 2023	**602,500**	**1,538,629**	**418,157**	**4,766**	**126,800**	**2,690,852**
Accumulated Depreciation ("Acc Depr")	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Opening Acc Depr as at 1 January 2023	**-**	**(52,632)**	**(22,358)**	**(751)**	**-**	**(75,741)**
Depreciation	-	(58,504)	(14,449)	(1,589)	-	(74,542)
Impairment	-	-	(381,350)	-	(78,350)	(459,700)
Acc Depr as at 31 December 2023	**-**	**(111,136)**	**(418,157)**	**(2,340)**	**(78,350)**	**(609,983)**
Carrying Value	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Carrying value as at 31 December 2023	**602,500**	**1,427,493**	**-**	**2,426**	**48,450**	**2,080,869**

Pyebridge Plant and Machinery was found to have differing useful lives based on its underlying components, one being the generation set and the other the balance of plant. The genset being at the end of its useful life, pending a significant overhaul, will be held at its residual value and the remaining plant depreciated over the remaining life of the project. This change in estimate resulted in a reduction of £4,656 depreciation for the year and will remain until such time as the planned overhaul is completed.

Right of use asset	**31 December 2023(£) Group**	**31 December 2022(£) Group**
Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:		
Opening balance	**33,525**	**284,000**
Additions	-	62,090
Change in lease	62,274	-
Impairment	(381,350)	-
Depreciation	(14,449)	(12,565)
Closing balance	**-**	**333,525**

Lease liability		
Set out below are the carrying amounts of lease liabilities and the movements during the period:		
Opening balance	**350,654**	**291,518**
Additions	-	60,005
Interest	35,959	26,131
Change in lease	62,274	-
Repayment	(39,292)	(27,000)
Closing balance	**409,595**	**350,654**
Split of lease liability between current and non-current portions:		
Non-current	405,930	346,674
Current	4,205	3,980
Total	**405,595**	**350,654**
Future minimum lease payments fall due as follows		
- within 1 year	39,826	33,960
- later than 1 year but within 5 years	159,304	135,840
- later than 5 years	851,812	756,720

- later than 5 years	[illegible]	[illegible]
Subtotal	**1,050,942**	**926,520**
- Unearned future finance charges	(641,347)	(575,866)
Closing balance	**409,595**	**350,654**

The Group has two lease contracts for land it shall utilise to construct gas-fuelled power generation plants. The land is located at Bordesley, Liverpool St. Birmingham and Stather Road, Flixborough.

The lease of the land has a lease term of 20 years, with an option to extend for 10 years which the Group has opted to include due to the highly likely nature of extension as at the time of the original assessment.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group's incremental borrowing ranges between 8.44% and 10.38%.

Note 8: Intangible assets

Intangible assets consist of separately identifiable assets, property rights or intellectual property (Bordersley Power) acquired either through business combinations or through separate asset acquisitions. These intangible assets are recognised at the respective fair values of the underlying asset acquired, or where the fair value of the underlying asset acquired is not readily available, the fair value of the consideration.

The following reconciliation serves to summarise the composition of intangible assets as at period end:

Group	Rochdale Power (£)	Bordersley Power (£)	ARL018 Stather Road (£)	ADV001 Hindlip Lane (£)	Total (£)
Carrying value as at 1 January 2022	**150,273**	**2,595,000**	**-**	**-**	**2,745,273**
Acquisition of ARL018 Stather Road	-	-	91,482	-	91,482
Acquisition of ADV001 Hindlip Lane	-	-	-	247,506	247,506
Impairments	-	(1,288,578)	-	-	(1,288,578)
Carrying value as at 31 December 2022	**150,273**	**1,306,422**	**91,482**	**247,506**	**1,795,683**
Impairments	-	(1,306,422)	(91,482)	-	(1,397,904)
Carrying value as at 31 December 2023	**150,273**	**-**	**-**	**247,506**	**397,779**

Note 9: Acquisition of interests in other entities

ADV 001 Ltd - 2022

Sloane Developments (Sloane) acquired a 100% interest in ADV 001 Limited ("Hindlip Lane"), from DKE Flexible Energy Limited, for the installation of a 7.5 MW gas-peaker plant in Buildings Farm, Hindlip Lane, Hindlip, Worcester, WR3 8SB.

The acquisition purchase price totals £262,500 of which £88,817 is utilised to settle a shareholder's loan of the same amount and the remainder of £173,683 is allocated towards purchasing all issued shares of the business. The acquisition purchase price is to be paid from a credit loan obtained from Riverfort Global Opportunities PCC Limited and Sanderson Capital Partners Limited. A further £10,694was paid in cash by Mast Energy Developments Plc ("MED") of which £8,020 is allocated to the purchase price of Hindlip Lane.

The acquisition of land and gas-powered generation facility will be accounted for as assets purchased at consolidated level, and not as a business combination in accordance with IFRS 3. Therefore, the purchase price has been allocated to the property, plant and equipment and intangible assets, as disclosed in Note 10 and Note 11 respectively.

ARL 018 Ltd - 2022

Sloane Developments (Sloane) acquired a 100% interest in ARL 015 Limited ("Stather Road"), from DKE Flexible Energy Limited, for the installation of a 2.4 MW gas-peaker plant on Land lying on the south side of Stather Road, Flixborough.

The acquisition purchase price totals £87,500 of which £54,882is utilised to settle a shareholder's loan of the same amount and the remainder of £32,618 is allocated towards purchasing all issued shares of the business. The acquisition purchase price is to be paid from a credit loan obtained from Riverfort Global Opportunities PCC Limited and Sanderson Capital Partners Limited. A further £10,694 was paid in cash by Mast Energy Developments Plc ("MED") of which £2,673 is allocated to the purchase price of Stather Road.

The acquisition of land and gas-powered generation facility will be accounted for as assets purchased at consolidated level, and not as a business combination in accordance with IFRS 3. Therefore, the purchase price has been allocated to the property, plant and equipment and intangible assets, as disclosed in Note 10 and Note 11 respectively.

Sloane Energy Limited - 2023

During 2023, Sloane Developments (Sloane) founded and acquired 100% equity interest in Sloane Energy Limited. At the reporting date the company was dormant.

Note 10: Share Capital

The called-up and fully paid share capital of the Company is as follows:

	2023	2022
Allotted, issued and fully paid shares	£263,854	-
(2023: 263,854,067 Ordinary shares of £0.001 each)	-	£217,453
(2022: 217,452,729 Ordinary shares of £0.001 each)		
	£263,854	**£217,453**

	Number of Shares	Ordinary Share Capital (£)	Share Premium (£)
Balance at 31 December 2022	**217,452,729**	**217,453**	**12,653,607**
Institutional lender loan repaid in shares	14,754,914	14,755	92,317
Loan with holding company settled in shares	31,646,424	31,646	437,353
Balance at 31 December 2022	**263,854,067**	**263,854**	**13,183,277**

All ordinary shares issued have the right to vote, right to receive dividends, a copy of the annual report, and the right to transfer ownership of their shares.

During the year the Company issued shares in partial settlement of shareholders loan in the amount of £576,071 (2022: £1,000,000).

Furthermore, the Company borrowed £81,329 from a director Mr PF Venter in December 2023. The terms of the loan state that the loan is to be settled in shares by the longstop date of 14 December 2024. A share reserve was created for the pending share issue.

Note 11: Reserves

Common control reserve

The common control reserve is the result of the capital reorganisation between the company, its holding and ultimate holding company during the 2020 financial year. As the reorganisation was outside the scope of IFRS 3, predecessor valuation accounting was applied as a result of the common control transaction.

Non-controlling interest acquired

On 31 July 2020, Sloane Developments Limited, MAST Energy Projects Limited and St. Anderton on Vaal Limited entered into the Share Exchange Agreement relating to the acquisition by Sloane Developments Limited of the remaining 40% of the issued share capital of MAST Energy Projects Limited. Under the Share Exchange Agreement, the Company paid St Anderton on Vaal Limited the sum of £4,065,586 payable by the issue of 36,917,076 ordinary shares of £0.001 each in the Company. Completion of the Share Exchange Agreement was subject to and conditional upon the Admission of Mast Energy Developments Limited to the London Stock Exchange.

Following the completion of the IPO on 14 April 2021, the Group acquired the remaining equity interest in

MAST Energy Projects Ltd for the consideration equal to 36,917,076 shares at a total value of £4,065,586. As the controlling stake in the entity had already been acquired and was under control of MED, the transaction was seen as a transaction with owners, and the financial impact recognised directly in equity of £4,065,586.

The rationale for the transaction was to acquire the remaining equity within MAST Energy Projects Limited in order to have the exclusive see-through equity interest in the Borderley project, held in the form of royalty and revenue agreements between MAST Energy Projects Limited and Bordersley Power Limited, from which MED could restructure the Group through its SPV's.

Note 12: Warrants

The following reconciliation serves to summarise the value attributable to the share-based payment reserve as at period end for the Company:

	Group and Company (£)	
	2023	**2022**
Opening balance of warrant reserve	-	-
Issue of warrants	380,741	-
	380,741	-

The following reconciliation serves to summarise the quantity of warrants in issue as at period end:

	Group and Company (£)	
	2023	**2022**
Opening balance	-	-
New warrants issued	86,814,562	-
	86,814,562	**-**

The weighted average fair value of the warrants are 0.44p per option (2022: Nil)

At 31 December 2023 the Group had 86,814,562 warrants outstanding:

Warrants

Date of Grant	**Issue date**	**Expiry date**	**Exercise price**	**Number granted**	**Exercisable as at 31 December 2023**
18 May 2023	18 May 2023	18 May 2026	2p	2,255,656	2,255,656
18 May 2023	18 May 2023	18 May 2026	2p	2,255,656	2,255,656
18 May 2023	18 May 2023	18 May 2027	0.89p	20,575,813	20,575,813
18 May 2023	18 May 2023	18 May 2027	1.8p	20,575,813	20,575,813
18 May 2023	18 May 2023	18 May 2027	0.89p	20,575,812	20,575,812
18 May 2023	18 May 2023	18 May 2027	1.8p	20,575,812	20,575,812
				86,814,562	**86,814,562**
Total contingently issuable shares				**86,814,562**	**86,814,562**

Note 13: Loan from related parties

	Group 2023 (£)	**Group 2022 (£)**
Amounts falling due within one year:		
Kibo Mining (Cyprus) Limited	849,253	1,231,535
	849,253	**1,231,535**

The loan is unsecured, carries interest at 0%, and is repayable on demand. The carrying value of loans from related parties equals their fair value due mainly to the short-term nature of the liability.

Note 14: Other financial and derivative liabilities

Description	Group 2023(£)	Group 2022 (£)	Company 2023 (£)	Company 2022 (£)
Amounts falling due within one year:				
Convertible loan notes	444,100	354,805	444,100	354,804
CLN Derivative liability	22,232	20,386	22,232	20,386
Accrued interest on director's loan	265	-	265	-
Amounts falling due between one year and five years:				
Convertible loan notes	318,925	243,056	318,925	243,056
	785,522	**618,247**	**785,522**	**618,247**

Convertible loan notes

Convertible loan notes consist of a facility from institutional lenders which reprofiled the outstanding convertible loan notes held during the previous financial year. The interest accrues at 9.5% to 10% per annum based on the terms applied for each advance of the facility. The convertible loan notes have embedded derivative liabilities which were recognised at fair value.

Accrued interest on director's loan

The director's loan consists of interest payable on a director's loan which is to be settled in shares (refer note 15). The interest is accrued at 7% per annum.

Note 15: Related Parties

Related parties of the Group comprise subsidiaries, significant shareholders and the Directors.

Relationships

Board of Directors/ Key Management

Name	Relationship (Directors of:)
Paul Venter	PSCD Power 1 Ltd
Louis Coetzee	Kibo Energy PLC and Katoro Gold PLC
Dominic Traynor	Druces LLP
Pieter Krügel	Chief Executive Officer
Noe; O'Keeffe	Director of subsidiaries ADV001 Ltd, ARL018 Ltd and Sloane Energy Limited

Other entities over which Directors/key management or their close family have control or significant influence:

PSCD Power 1 Ltd:	The Director of PSCD Power 1 Ltd is also a Director of Mast Energy Developments PLC.
Kibo Mining (Cyprus) Limited:	Kibo Mining (Cyprus) Limited is the controlling shareholder of Mast Energy Developments PLC.
Ultimate shareholder	Kibo Energy PLC
Significant shareholders:	PSCD Power 1 Ltd
Associated by fellow directorship:	Katoro Gold PLC Kibo Mining (Cyprus) Limited

MAST Energy Developments PLC is a shareholder of the following companies and as such are considered related parties:

Directly held subsidiaries:	Sloane Developments Limited MAST Energy Projects Limited (dissolved on 24 May 2022) Bordersley Power Limited Pyebridge Power Limited Rochdale Power Limited ADV 001 Limited ARL 018 LImited

Balances

Name	Amount (£) 2023	Amount (£) 2022
Kibo Mining (Cyprus) Limited - Loan from related parties owing	849,253	1,231,535
Paul Venter - Director's loan owing (share reserve)	81,329	-
Paul Venter - Director's loan owing accrued interest	265	-
Kibo Energy PLC - Management and administration services accrued	32,130	-
Katoro Gold PLC - Receivable for management services paid on Katoro's behalf	21,140	-
Paul Venter - Director's remuneration due	18,371	-
Louis Coetzee - Director's remuneration due	27,000	-
Dominic Traynor- Director's remuneration due	17,644	-
Pieter Krügel - Director's remuneration due	49,844	-
Noel O'Keeffe - Professional services remuneration due	9,000	-
Druces LLP - Supplier balance for professional services	143,732	-

Transactions

Name	Amount (£) 2023
Kibo Mining (Cyprus) Limited - loan repayment in shares	469,000
Kibo Mining (Cyprus) Limited - increase in loan	86,615
Paul Venter - loan received from director	81,329
Kibo Mining (Cyprus) Limited - management and admin services	30,892
Katoro Gold PLC - management and admin services	21,140
Noel O'Keeffe - professional services	36,000
Druces LLP - professional services rendered	143,732

Kibo Mining (Cyprus) Limited was issued shares in exchange for partial settlement of £468,999 (2022: £1,000,000) of its loan with the MED Group.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. The transactions during the period between the Company and its subsidiaries included the settlement of expenditure to/from subsidiaries, working capital funding, and settlement of the Company's liabilities through the issue of equity in subsidiaries. The loans from related parties do not have fixed repayment terms and are unsecured.

Note 16: Subsequent events

New Strategic Funding Partner & Funding Agreement

The company has signed a funding agreement ("Funding Agreement") with an initial funding facility up to £4,000,000 with RiverFort Global Opportunities PCC Limited ('RiverFort"). The Funding Agreement was arranged by Fortified Securities and will see RiverFort joining MED as its strategic funding partner to provide and facilitate funding to develop and construct MED's existing c. 30 MW portfolio of assets and new acquisitions to achieve MED's strategic goal of building an enlarged 300 MW portfolio of flexible power assets.

New Capacity Market Contracts

MED applied for and was successful in pre-qualification to bid for new CM contracts for its Pyebridge Site, in addition to the Site's existing CM contracts (see RNS dated 27 February 2023), being a T-1 CM contract and a T-4 CM contract. Following the preparation of a robust CM Auction bid strategy, MED is pleased to announce that pursuant to the recent Capacity Market Auctions and subsequent results, its T-1 bid cleared at £35.79/kW/annum, which equates to an additional c. £183k of income to the Site, and its T-4 bid cleared at £65/kW/annum, which equates to an additional c. £322k of income to the Site. The Site's existing and new CM contracts are all fixed one-year contracts. The plan and intention is to apply for the maximum 15-year term and capacity T-4 CM contract in due course once the Site's planned overhaul work programme as referred to above has been completed, which is expected to provide further enhanced and longer term guaranteed income to the Site.

Termination of Proventure IVA

Termination of Proventure JVA

During the financial year the JVA with Proventure was terminated due to non-performance by the counterparty. MED retains its right to pursue legal action as a result thereof. The directors are currently considering its options in this regard.

Pyebridge and Hindlip Update

The group has successfully completed the initial work programme ahead of schedule at its Pyebridge 9 MW flexible power generation asset ("Pyebridge"), with the site now officially back into operation.

Resultingly, MED was able to schedule and perform the minimum 3x separate generation runs ahead of schedule to meet its Satisfactory Performance Days ("SPD") requirements that are due by the end of April 2024 under its existing T-1 Capacity Market contract (the "CM Contract"). It is expected that Pyebridge will pass its next SPD test, and retain the CM Contract's associated annual gross profit margin income of c. £308,000 which is paid and received monthly in arrears.

Furthermore, initial pre-construction work completed at MED's 7.5 MW Hindlip Lane flexible power generation project ("Hindlip"), and Certificate of Lawful Commencement granted.

Note 17: Commitments and contingencies

The Group does not have identifiable material commitments and contingencies as at the reporting date.

Note 18: Principal risks

The realisation of the various projects is dependent on the successful completion of technical assessments, project development and project implementation and is subject to a number of significant potential risks summarised as follows, and described further below:

- Funding risk;
- Regulatory risk;
- Commodity risk;
- Development and construction risk;
- Staffing and key personnel risk; and
- Information technology risk.

Funding risk
Following the successful conclusion of an Initial Public Offering ('IPO') on 14 April 2021, the Group was able to raise £5.54 million in cash, which was utilised to further advance the various projects of the Group to date. During 2022, the Group raised a further £650 000 for acquisitions and general working capital purposes and availed of a further £100,000 during 2023 under the reprofiled loan with institutional investors agreed in May 2023.

There can be no assurance that such funds will continue to be available on reasonable terms, or at all in future, and that projects will be completed within the anticipated timeframes to supplement cashflows through operational activities. This risk was realised to a significant extent during 2023 where anticipated funding from the Seira and subsequently, Proventure joint venture agreements, did not materialise and has delayed the Company's anticipated timeframes for project completion.

The Group generated revenue of £341,207 for the period ended 31 December 2023 and had net a liability position of £384 509 as at 31 December 2023 (31 December 2022: net assets of £2,116,744)). As at year end, the Group had liquid assets in the form of cash and cash equivalent and other receivables of £252 and £122,649 (year to 31 December 2022: £268,985), respectively.

The Directors have reviewed budgets, projected cash flows and other relevant information, and based on this review and the rationale set out below, they are confident that the Group will have adequate financial resources to continue in operational existence for the foreseeable future.

The budgets and projected cash flows is reliant on a successful drawdown on a current facility, as well as bringing Pyebridge back into production no later than 30 April 2024 and successful electricity generation thereafter. Unforeseen challenges with either of the aforementioned cause a risk that the Company may not be able to meet its current liabilities without another cash injection. The directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern and that, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors continue to review the Group's options to secure additional funding for its general working capital requirements as well as project financing for commercial production-ready sites, alongside its ongoing review of anticipated revenue generation from existing sites, potential acquisition targets and corporate development needs. The Directors are confident that such funding will be available, although there is no guarantee of such funding. In addition, any equity funding may be subject to shareholder approvals and in line with legal and regulatory requirements as appropriate.

As a result, the Directors continue to monitor and manage the Group's cash and overheads carefully in the best interests of its shareholders and believe that the Company and the Group and by successfully implementing the above responses it will remain a going concern for the foreseeable future.

Regulatory risk
The United Kingdom power sector has undergone several considerable regulatory changes over the last few years and is now at a state of transition from large fossil-fuel plants to a more diverse range of power-generation sources, including renewables, small, distributed plants and new nuclear. As a result, there is greater regulatory involvement in the structure of the UK power market than has been the case over the last 20 years. Therefore, there remains a risk that future interventions by Ofgem or Government could have an adverse impact on the underlying assets that the Group manages and/or owns. The Company continually monitors this risk and, where possible, acts proactively to anticipate and mitigate any regulatory changes that may have an adverse impact on the ongoing financial viability of its projects. In order to monitor compliance with evolving UK government energy regulations, the Company subscribes to relevant environmental and energy regulation bodies updates which management reviews and makes recommendations to the Board in terms of mitigation that may be required should it become aware of any pending regulatory changes that may threaten the economic viability of its projects.

Commodity Risk
The assets that the Group manages and owns will receive revenue from the sale of energy onto the wholesale market or to end users at a price linked to the wholesale power market price. Fluctuations in power prices going forward will affect the profitability of the underlying reserve power assets. For example, the significant reduction in wholesale electricity prices from 2022 to 2023 resulted in lower electricity prices received from sales at Pyebridge during the period that it was in operation during 2023. The Group will also use its skills, capabilities and knowledge of the UK power market in order to optimise these wholesale revenues. The Group's ability to effectively manage price risk and maximise profitability through trading and risk management techniques with the assistance of its electricity off-taker and trading platform provider, Statkraft, will have a considerable impact on the revenues and returns.

Development and Construction Risk
The Group will continue to develop new project sites that includes obtaining planning permission, securing land (under option to lease or freehold), and obtaining gas and grid connections. The Group will also oversee the construction of these projects where needed.

Risks to project delivery include damage or disruption to suppliers or to relevant manufacturing or distribution capabilities due to weather, natural disaster, fire, pandemic, strikes or other reasons that could impair the Company's ability to deliver projects on time.

Failure to take adequate steps to mitigate the likelihood or potential impact of development and construction setbacks, or to effectively manage such events if they occur, could adversely affect the business or financial results. There are inherent risks that the Group may not ultimately be successful in achieving the full development and construction of every site and sunk costs could be lost. However, the risk is mitigated as the Group targets shovel-ready sites that adhere to specific requirements, coupled with an experienced senior management team.

Staffing and Key Personnel Risks

Personnel are our only truly sustainable source of competitive advantage and competition for key skills is intense, especially around science, technology, engineering and mathematics ('STEM') disciplines. While the Group has good relations with its employees, these relations may be impacted by various factors. The Group may not be successful in attracting, retaining, developing, engaging and inspiring the right people with the right skills to achieve our growth ambitions, which is why staff are encouraged to discuss with management matters of interest and subjects affecting day-to-day operations of the Group.

Information Technology Risks

The Group relies on information technology ('IT') in all aspects of its business. Any significant disruption or failure, caused by external factors, denial of service, computer viruses or human error could result in a service interruption, accident or misappropriation of confidential information. Process failure, security breach or other operational difficulties may also lead to revenue loss or increased costs, fines, penalties or additional insurance requirements. The Group continues to implement more cloud-based systems and processes and improve cyber security protocols and facilities in order to mitigate the risk of data loss or business interruption.

Note 18: Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, there are significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Estimation uncertainty:

Information about estimates and assumptions that may have the most significant effect on recognition and measurement on assets, liabilities and expenses is provided below:

Impairment assessment of property plant and equipment and intangible assets

In applying IAS 36, impairment assessments are performed whenever events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable. Estimates are made in determining the recoverable amount of assets which includes the estimation of cash flows and discount rates used. In estimating the cash flows, management bases cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the assets. The discount rates used reflect the current market assessment of the time value of money and the risks specific to the assets for which the future cash flow estimates have not been adjusted. Refer to Note 11 of the annual report for detailed sensitivity analysis related to a potential change in the key estimation uncertainties inherent in the impairment assessment.

Useful life of Intangible assets

Amortisation is charged on a systematic basis over the estimated useful lives of the assets after taking into account the estimated residual values of the assets. Useful life is either the period of time over which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of the asset.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Useful life of Property, plant and Equipment

The depreciable amounts of assets are allocated on a systematic basis over their useful lives. In determining the depreciable amount, management makes assumptions in respect of the residual value of assets based on the expected estimated amount that the entity would currently obtain from disposing the asset, after deducting the estimated costs of disposal. If an asset is expected to be abandoned, the residual value is estimated at nil. In determining the useful lives of assets, management considers the expected period of use of assets, expected physical wear and tear, legal or similar limits of assets such as rights, condition and location of the asset as well as obsolescence.

Decommissioning and Environmental Rehabilitation Provisions

The Company has set-up a decommissioning provision for the removal of the plant and equipment installed at the Bordersley Site in Liverpool St. Birmingham., the cost of which is based on estimates.

Environmental Rehabilitation Provisions

Estimates are made in determining the present liability of environmental rehabilitation provisions consisting of a restoration provision, decommissioning provision and a residual impact provision. Each of these provisions are based on an estimate of closure costs on reporting date, inflation and discount rates relevant to the calculation and the expected date of closure of operating activities in determining the present value of the total environmental rehabilitation liability.

Critical judgements:

Information about critical judgements that may have the most significant effect on recognition and measurement on assets, liabilities and expenses is provided below:

Going Concern

The Groups current liabilities exceed its current assets as at 31 December 2023, mainly due to the loans from related parties in the amount of £849,253 (31 December 2022: £1,231,535) which contributes significantly to the material uncertainty related to the going concern assumption applied in preparation of the financial statements. Management applies judgement in determining whether or not the Group is able to continue as a going concern for the foreseeable future, in identifying the matters which give rise to the existence of the material uncertainty, and in developing responses thereto in order to address the risk of material uncertainty. Also refer to note 4.

Note 19: Financial instruments - Fair value and Risk Management

The carrying amount of all financial assets and liabilities approximates the fair value. Directors consider the carrying value of financial instruments of a short-term nature, that mature in 12 months or less, to approximate the fair value of such assets or liability classes.

The carrying values of longer-term assets are considered to approximate their fair value as these instruments bear interest at interest rates appropriate to the risk profile of the asset or liability class.

The Group does carries derivative liabilities measured in the statement of financial position at fair value at 31 December 2023.

END

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