7 June 2024

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**Zenova Group PLC**

("Zenova", the "Company" or the "Group")

**Annual Results for the period ended 30 November 2023**

**Zenova Group PLC (AIM: ZED)**, the innovative fire suppression and interdiction company, today announces its results for the year ended 30 November 2023. In addition, the Company gives notices of its annual general meeting ("AGM") and the publication of its annual report and accounts.

**Highlights For The Year Ended 2023**

· Sales of £278k for the year ended 30 November 2023 (2022 - £175k), an increase of 59% over the prior year of £175k. Sales were impacted by delays in gaining key product certifications required to enter strategic market segments. These issues have now all been resolved and the Company anticipates significant revenue growth in the near term.

· Loss after taxation for the year of £1,687k, a decrease of 17% from the prior year (2022 - 2,032k) mainly arising from R&D tax credits, costs of research and development, testing and certification, staff costs, and professional fees.

· Multiple, significant testing and certification commendations including BRE steel testing confirming the effectiveness of Zenova FP fire retardant paint, Liverpool John Moores University validation for the Zenova IP thermal insulation paint, certification (Classes A, B, F and Electrical) for the FX500 aerosol fire extinguishers to BS6165 fire standard, and European EN3-7 testing and certification for the Company's larger FX 6L and 9L extinguishers confirming Classes A, B, and F, as well as Electrical classification.

· Successful launch of all major Zenova products from the FP fire retardant coatings, IP insulation coating and IR insulation render comprising its paint-related offering, to its extinguisher suite of products which include the smaller FX500 aerosol, and the larger 6 and 9 Litre all-in-one extinguishers, all of which are effective on all types of fire, as well as the FX fluid, a certified extinguishing agent for any type of fire and finally, the WB, eco-friendly, nontoxic wildfire barrier.

· Sales prospects enhanced significantly through concentrating on direct B2B accounts across multiple sectors and through appointing sub-distributors and sales agents both in the UK and internationally. Several of the latter agreements include annual minimum purchase quantities by value guarantees in order to maintain Zenova product exclusivity.

· New customers and leading distributors engaged in fiscal year 2023 included Dulux, Rawlins Paints, Kensington and Chelsea local authority, Melin Homes, Pinewood Studios, the NHS, Enfield City Council, Together Housing, Southdown Housing Association, Ukraine Military, Omnis (USA), Zensafe Ltd and Clastrom (Germany).

· Sales prospects were further enhanced through a successful demonstration of the leading-edge capabilities of Zenova's entire FX range of extinguishers to leading UK Government officials and Fire Industry Experts at the Fire Service College, Moreton-in-Marsh, in November 2023.

· Zenova strengthened its supply chain by signing manufacturing partners across the UK, Europe, and North America for all Zenova products, improving our preparedness to meet the demands of growing order book projections.

· Board realigned and strengthened through the elevation of Fiona Rodford to Executive Vice-Chairperson, with Don Nicolson reverting back to the role of Non-Executive Chairman. Thomas Melchior was appointed Interim Chief Executive Officer, with Tony Crawley assuming the non-board role of Sales Project Director, while Farakh Farid was appointed to the non-board role of Chief Financial Officer.

· In May 2023, the Company successfully raised gross proceeds of £500,000 through a placing at 4 pence per share. In addition, participating investors were granted a warrant carrying an exercise price of 10 pence per share and expiring three years from the date of issue.

**Post Year End Highlights**

· Zenova expanded and deepened its partnership with Gracewood/Drips and Sparks/Zensafe with a £2.4 million order over two years for FP paint. (April 2024). Early returns from this order are beginning to be realised as the construction season gets underway.

· The Zenova FX extinguisher range earned further major accreditations, notably the UK Kitemark, and MED (Marine Equipment Directive) certifications, both in 2024, establishing the Zenova extinguishers as the premier certified choice for comprehensive fire protection across any fire type.

· Zenova expanded its efforts to bring its products closer to international customers through successful client demonstrations in Mallorca, Spain (March 2024) and Albania (May 2024).

· Zenova global sales footprint expanded to Latin America (2024), India (2024) and Romania (2024).

· Fiona Rodford assumed the role of Non-Executive Chair of the Company, replacing Don Nicolson. (March 2024).

· To fund its growth efforts, Zenova successfully raised gross proceeds of £677,500 through a subscription, earmarked to strengthening working capital. (March 2024).

· Zenova appointed a new broker, Peterhouse Capital, and a new auditor, Gravita. (April 2024).

· Zenova discontinued director working capital loan facility of £350,000 (May 2024).

**Outlook**

We foresee the promising convergence of positive macro tailwinds in the fire interdiction markets, continued, recognised certification separation between the Zenova product range and the competition, and further exploitation of the Group's growing distributor relationships, which will drive accelerating sales growth for Zenova through the rest of 2024 and beyond.

**Thomas Melchior, Chief Executive of Zenova Group PLC commented:** "*It has been another challenging year for Zenova as delays to product certifications slowed somewhat the rollout of our B2B strategy internationally. These issues are now largely behind us as the recent Drips and Sparks/Gracewood/Zensafe multi-year, multi-million-pound order demonstrates. We are entering 2024 focused on execution: delivering on existing business, opening new markets and client relationships, and serving our growing customer base as they upgrade their fire protection and thermal insulation needs.*"

**Notice of AGM and Publication of Annual Report**

The Company gives notice that its AGM will be held at 10.00am BST on 2nd July 2024 at the offices of Zenova Group Plc, 172 Arlington Road, London NW1 7HL.

The Notice of AGM, along with the Company's annual report and accounts for the year ended 30 November 2023 (together, the "Documents"), have been published on the Company's website at: https://zenovagroup.com/reports-documents/. The Documents, along with a form of proxy, will be posted to those shareholders who have elected to receive physical copies today.

**For further information please contact:**

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**Chair's Statement**

Dear Shareholders,

Zenova was founded to develop innovative, sustainable solutions within the fire safety and heat management industry. Since our IPO in 2021, we have developed, tested, certified, and launched a suite of fire safety and temperature management products and solutions.

Through innovative development, and a refined formulation and development process, Zenova provides industry-leading solutions across a range of fire protection and temperature management problems, comprising fire retardant paints, insulating paints and render, fire extinguishing fluid, and a range of fire extinguishers.

Over the past year, Zenova's products have been rigorously tested and certified by independent, industry experts and testing houses:

- BRE steel testing confirmed the effectiveness of our fire-retardant paint.
- Liverpool John Moores University validated the efficiency of our thermal insulation paint, which can deflect, absorb and dissipate heat and reduce temperatures by up to 45% and therefore save costs, and reduce thermal conductivity.
- Zenova FX fire extinguishers are now tested and certified to the highest standards, including EU EN3-7, and post period also achieved UK Kitemark and MED certification. We believe we now have the best all-in-one fire extinguishing fluid, capable of extinguishing any type of fire.

Zenova has strengthened its supply chain and now has scalable, outsourced manufacturing in the UK, Europe and in North America with reliable manufacturing partners ready to scale production.

Our global sales and delivery capabilities have been further enhanced through the appointment of sales and sub-distribution partners. Our global sales footprint now covers all major markets, including the USA, Latin America (2024) and the UK with expanded distribution partners such as Rawlins, Dulux. Our international expansion into promising markets like Germany, India (2024) and Romania (2024) further extends our sales and distribution network.

Zenova products have been specified for use in construction projects, renovations, film productions and production site safety by local government bodies, commercial entities, and social housing projects by local government bodies, commercial entities, and social housing projects.

Our sales and marketing strategy, including effective product demonstrations in the USA, UK, Palma (2024) and Albania (2024) is further supporting our sales efforts.

The Zenova Group has achieved much in 2023, but sales growth has been lower than expected with Zenova recording £278k in the year ended 30 November 2023, which was a significant improvement over 2022, but nevertheless short of our expectations. Sales were impacted by delays in key product certifications required to enter key market segments. These issues have now all be resolved, and the Board expects significant revenues growth in 2024. This belief is underlined with the recent £2.4m Gracewood order and the significant sales prospect pipeline.

The Board believes that Zenova is well positioned for significant revenue growth in this fiscal year, benefiting from our hard work and achievements in securing the highest levels of certification and closing major sales agreements over the past years.

Alongside this we are committed to a programme of rigorous cost management, with monthly budget reviews at the Board level to ensure sufficient working capital during this growth period. We also expect Research and Development costs to decrease significantly as we move into the next phase of our strategy.

Zenova raised £500k gross through a placing of shares combined with three-year warrants with an exercise price of 10 pence per share in May 2023 as well as an additional £678k gross in March 2024 through a subscription, earmarked for bolstering working capital.

We also made some personnel changes to allow us to strengthen our deliver focus by moving Tony Crawley, Chief Executive Officer, to the role of Sales Project Director. Thomas Melchior, previously Chief Financial Officer, was appointed as interim Chief Executive Officer and I was appointed as Executive Vice Chair. In March 2024, I assumed the role of Non-Executive Chair of the Company.

I wish to thank Don Nicolson, the previous Chairman of Zenova since the IPO, for his active guidance and wisdom of steering the company successfully.

Our goal is to establish Zenova as the trusted provider of fire safety and thermal management solutions and products across multiple sectors and geographies. We are very confident in the effectiveness of our products, which have now been established through rigorous testing, certification, trials, and backed by customer trials and experience.

As always, a business depends on the goodwill of its people, and I wish to express my gratitude to our dedicated employees, loyal customers, and supportive shareholders. Together, we are well-positioned for continued success and profitable growth. We believe that Zenova and its products have a bright future and look forward to updating the market with further developments.

Fiona Rodford

Chair
Zenova Group PLC
6th of June, 2024

**Strategic Report by the Chief Executive**

**Introduction**

Zenova Group, through Zenova Ltd, is the holder of intellectual property that underpins a suite of fire safety and temperature management products and technology. The product range is applicable to industrial, commercial, and residential markets. The Group's products include fire retardant paints, insulating paints and render, fire extinguishing fluid and fire extinguishers. Through innovative development, and a refined formulation and development process, Zenova provides industry leading solutions across a range of fire protection and temperature management problems.

The founders of Zenova Group leveraged their extensive experience in the fire safety and insulation industry and began their research and development in 2017. A significant motivation for forming Zenova Group was the perceived stagnation in technological advancements within the fire safety sector. For over fifty years, the field had seen minimal innovation, leaving firefighters worldwide reliant on outdated technology that is resource-intensive and often produces harmful by-products.

Recognizing a significant market gap, the founding team developed innovative fire deterrence methods, starting with fire extinguishing fluid and associated hardware systems. Encouraged by positive test results, the founders expanded their product development to include paints and renders. By using innovative formulations and refining the development process, the team produced industry-leading solutions for various fire protection and temperature management challenges.

Zenova Ltd was established on January 20, 2020, to commercialize the intellectual property created by the founders. On July 22, 2021, Zenova Group Plc was admitted to AIM, raising £4.5 million before costs.

**Research and Development, Testing and Certification**

Zenova Group is committed to continuously developing and improving its products in order to maintain its competitive advantage.

Zenova has a small research and development team, as well as industry leading partners engaged under consulting agreements. Their task is product development, testing and refining the formulas and processes used for to create the Zenova intellectual property. In addition to the development of products, Zenova's R&D efforts also focus on rigorous and continuous testing, trials and certification.

- BRE steel testing confirmed the effectiveness of our Zenova FP, fire-retardant paint, thus expanding market potential for our Zenova FP intumescent coating.
- Liverpool John Moores University validated the efficiency of our Zenova IP thermal insulation paint and successfully demonstrated that just 1mm of Zenova IP can move a building's EPC rating from E to D, reducing heat energy consumption by over 25% thus lowering fuel bills by improving the U-value by 35%. Liverpool John Moores University our thermal insulation paint, which can deflect, absorb and dissipate heat and reduce temperatures by up to 45% and therefore save thermal management energy costs.
- Certification test results for the Zenova FX500 aerosol fire extinguisher by international testing house CNBOP, an international testing house confirming Classes A, B, F and Electrical classification to the BS 6165 fire standard.
- Zenova's FX extinguisher range passes EN3-7 testing and certification for the Zenova FX 6L & Zenova FX 9L extinguishers by MPA Dresden Fire in Germany, confirming Class A, B, F and Electrical classification to the latest EN3 standard.

to the latest EN3 standard.

*Post period updates*

- The Zenova FX extinguisher range further passed UK Kitemark, and MED (Marine Equipment Directive) certifications, both in 2024, establishing the Zenova extinguishers as premier certified choice for comprehensive fire protection across any fire type.

**Products & Solutions**

Zenova has developed a range of products providing fire safety and heat management solutions for a wide range of sectors and environments.

Zenova FP, fire protection paint

A water based, fire protection paint (also known as a 'thermofoaming' or 'intumescent' paint), which can be used on any surface and colour matched to any colour. When exposed to heat or flames, the paint expands and creates a solid foam-like crust which will not burn and insulates the surface to which it is applied. This prevents surfaces from catching fire and stops fire spreading.

Zenova IP, thermal insulation paint

A thermal insulation paint embeds the most modern insulating technology in a thermos-like ultra-thin layer. It saves energy by increasing the thermal insulation level in commercial and residential buildings. Zenova IP has been independently tested and validated to deflect, absorb and dissipate up to 75% of this heat, thereby reducing the inside temperature by up to 45%. Suitable for both exterior and interior surfaces, on any type of surface.

Zenova IR, thermal insulation render

Zenova IR is a ready mixed insulation render that can be applied to internal and external walls in commercial and residential buildings to provide immediate insulation benefits and can be colour matched to any colour.

Zenova FX, fire extinguishers

A fire extinguisher like no other. Zenova FX extinguishers are PFAS compliant, effective and safe to use on all types of fires. Fully tested to European EN3-7 as well as British standards, the Zenova FX extinguishers are certified for class A, B and F as well as being safe for use on electrical fires. Available in 6 and 9 litre sizes.

Zenova FX500, aerosol fire extinguisher

The Zenova FX500 is a high-performance handheld fire extinguisher that is tested by independent experts and adheres to the highest industry standards. Safe for use on any type of fire, the Zenova FX500 reduces the risk of reignition. The Zenova FX 500 is quick, easy and safe to operated and has been fire tested to BS6165 standard.

Zenova WB, wildfire barrier

A wildfire barrier fluid (applied via spray wands or aerial drops), which provides a virtual barrier where fire simply will not burn. Repeated tests by the Wildfire Laboratory at Exeter University on a variety of extremely dry wildfire fuels (grasses, hays, brush) confirms the incredible fire resistance Zenova WB provides, while remaining viable after application for 30+ days in dry conditions.

**Sales**

Zenova sales strategy is currently concentrated on large business-to-business accounts in sectors such as construction, manufacturing, industrial and public sector bodies. Zenova targets sales to the end user, by appointing sub-distributors and sales agents on a national and international level.

Zenova focuses on product demonstrations and trials with key clients to leverage the networks and accredited industry specific consultants to penetrate large businesses, and public sector bodies.

**Sales routes:**

- Key account sales
- Direct sales
- Sales agents
- Sub distributors for paint sales and distribution
- Fire management experts and advisors
- International sub distributors

**Product demonstrations**

A key sales tool for the Company is in-person demonstration of the Zenova product range capabilities for potential clients, fire risk management experts and key purchasing decision makers.

- Emergency Services Showcase in Birmingham, UK
- Disasters Expo USA in Anaheim, USA (Sep 2023)
- The Fire Service College, Moreton-in-Marsh, UK (Nov 2023)
- Palma, Mallorca (March 2024)
- Albania, (May 2024)

**Customer trials**

Zenova is following a strategy of customer trials with key customers. As a result of these the company currently has invoiced and supplied multiple trial orders to key segments which are expected to lead to large follow up orders.

*Post period update:*

Customer trials of Zenova FP coatings on steel with Gracewood Construction Ltd through their sprayers Drips and Sparks Ltd and our sub-distributor Zensafe Ltd led to a two-year order for 200,000 litres for Zenova FP coating. The order is worth £2.4million to the Company over 2 years, which will be payable against monthly deliveries to sites specified in the previous

£2.[illegible] million to the Company over 2 years, which will be payable against monthly deliveries to sites specified in the previous month in instalments, commencing immediately.

**Key customers**

Some of our key customers are Dulux, Rawlins Paints, Kensington and Chelsea local authorities, Pinewood Studios, the NHS, Enfield City Council, Together Housing, Southdown Housing Association and the Ukraine Military.

**Sales and distribution network**

Zenova expands global sales and delivery capabilities through appointment of sales and sub-distributors for major market access. Zenova has secured some cornerstone agreements within key sectors which are expected to develop into large, longer-term sales from these partnerships.

Zenova has entered into several international sub-distributor agreements in various territories globally. These contracts include an annual commitment to purchase a minimum quantity by value of Zenova products.

Zenova's growing global sales and distribution footprint now covers all major markets including:

- UK
- Germany
- Austria
- Switzerland
- Poland
- Spain
- Portugal
- Romania (2024)
- USA
- Latin America (2024)
- India (2024)

*Post period sales and distribution network update*

Zenova global sales footprint has recently expanded into Latin America (2024). International expansion into India and Romania.

**Manufacturing**

Zenova has strengthened its supply chain and now has reliable, scalable, outsourced manufacturing partners for all Zenova products in the UK, Europe and in North America which are ready to increase production to meet Zenova's growth projections. Manufacturing is subcontracted to specialist manufacturers in each category of product. Zenova sources and approves the manufacturing components and processes used by the manufacturers in advance of first production. Zenova maintains responsibility for ongoing manufacturing oversight and implementation of manufacturing strategy based on forecasted product supply and demand levels. The manufacturing process for all products and the time scale to produce finished goods is optimized. Zenova has entered manufacturing contracts with manufacturers to produce the initial volumes of its paints, primers, render, firefighting fluid and fire extinguishers.

Zenova has partnered with manufacturers in the following locations:

- Zenova FP UK & Canada
- Zenova IP UK & Canada
- Zenova IR UK & Canada
- Zenova FX500 UK & USA
- Zenova FX6L & FX9L Poland
- Zenova FX fluid Poland & Canada
- Zenova WB Poland & Canada

All production facilities are designed to scale up rapidly to meet expected growth in demand for Zenova products worldwide.

**Board and management**

Zenova realigned the Board of Directors and senior management to focus on sales and increasing market penetration as the company entered the next stage of growth and focused on operational capacity to transition from R&D, testing and certification to sales growth and customer delivery. (June 2023)

- Don Nicolson who chaired the Board of Directors since the company was admitted to AIM in July 2021 reverted back into the role of Non-Executive Chairman.
- Fiona Rodford took on the role of Executive Vice-Chairperson.
- Tony Crawley, Chief Executive Officer, stepped down from the Board and assumed the role of Sales Project Director.
- Thomas Melchior (the previous CFO) was appointed as interim Chief Executive Officer.
- Farakh Farid was appointed to the non-Board role of Chief Financial Officer.

*Post period update.*

- Fiona Rodford assumed the role of Non-Executive Chair of the Company, following Don Nicolson's resignation. Fiona's primary focus is on accelerating business growth and leveraging expanding market expansion through sales and distribution arrangements. (March 2024)

**Financing**

- Directors Don Nicolson, Thomas Melchior, Etrur Albani, and Fiona Rodford entered into a working capital loan with the Company, making up to £350,000 of cash resources available if needed. None of the Working Capital Loan has been utilised. The participating directors are to be rewarded for creating this facility.

- The Company successfully raised gross proceeds of £500,000 through a placing at 4 pence a share. In addition to receiving placing shares, investors participating in the placing were granted a warrant in the ratio of one warrant for each placing share carrying an exercise price of 10 pence per share and expiring in three years from the date of issue. Additionally, one investor has entered into a deferred subscription agreement with Zenova pursuant to which it has the right to subscribe for up to an aggregate of 3,750,000 ordinary shares at 10 pence per ordinary shares within three years from the date of issue. (June 2023)

*Post period updates*

- Zenova appointed a new broker, Peterhouse Capital, and appointed Gravita as its new auditing firm. (April 2024)

- To fuel its expansion efforts, Zenova successfully raised gross proceeds of £677,500 through a subscription, earmarked to strengthen working capital. (March 2024)

- With robust projected cash flows and recent funding initiatives, Zenova discontinued the director working capital loan of £350,000, as it is not been drawn down and was no longer deemed necessary. (May 2023)

**The Future**

We anticipate that the next twelve months will be focussed on sales order book growth and order execution with a close focus on working capital management.

Zenova is already seeing a significant increase in qualified sales leads and quotations and expects conversion to orders will grow at an increasing pace as its sales and distribution channels gear up.

In the meantime, the Group has implemented strict cost controls to ensure it has the working capital to navigate this period of growth.

Finally, I would like to thank our dedicated employees, our Board colleagues for their support, our loyal and growing customer base for their trust in our products and our supportive shareholders for our continued success.

Thomas Melchior
Chief Executive Officer
Zenova Group PLC
6 June 2024

**Dividends**

The Company has not declared or paid cash dividends on the existing ordinary shares during the current period or subsequently.

The payment of any future dividends on the ordinary shares will depend on the future earnings of the Company. The Board has no current intention of paying a cash dividend to Shareholders as the Board currently intends to invest the Company's cash reserves and any cash generated into driving business growth but will consider declaring a dividend only when prudent to do so and in the context of the cash generated by the business.

**Consolidated Statement of Comprehensive Income**

| | Note | **Year ended 30 November 2023 £'000** | **Year ended 30 November 2022 £'000** |
|---|---|---|---|
| Revenue | | 278 | 175 |
| Cost of sales | 5 | (216) | (67) |
| **Gross profit** | | **62** | **108** |
| Administrative expenses | 5&6 | (2,107) | (2,130) |
| **Operating loss** | | **(2,045)** | **(2,022)** |
| Finance cost | 5 | (18) | (10) |
| **Loss before taxation** | | **(2,063)** | **(2,032)** |

| | | | |
|---|---|---|---|
| Taxation | 7 | 376 | - |
| **Loss after taxation** | | **(1,687)** | **(2,032)** |
| **Basic loss per share** | 8 | (1.69p) | (4.79p) |
| **Diluted loss per share** | 8 | (1.69p) | (4.79p) |

**Consolidated Statement of Financial Position**

| Company Number: 13403221 | **Note** | **30 November 2023** | **30 November 2022** |
|---|---|---|---|
| | | **£'000** | **£'000** |
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Goodwill | 9 | 2,346 | 2,346 |
| Property, plant & equipment | 10 | 6 | 9 |
| Right of use asset | 11 | 89 | 119 |
| **TOTAL NON-CURRENT ASSETS** | | **2,441** | **2,474** |
| **CURRENT ASSETS** | | | |
| Inventory | 12 | 155 | 51 |
| Trade and other receivables | 13 | 153 | 292 |
| Cash and cash equivalents | 18 | 98 | 782 |
| **TOTAL CURRENT ASSETS** | | 406 | 1,125 |
| **TOTAL ASSETS** | | **2,847** | **3,599** |
| **LIABILITIES** | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Payables: Amounts falling due after one year | 14 | 28 | 39 |
| Lease Liability | 15 | 93 | 121 |
| **TOTAL NON-CURRENT LIABILITIES** | | 121 | 160 |
| **CURRENT LIABILTIES** | | | |
| Payables: Amounts falling due within one year | 14 | 668 | 194 |
| | | 668 | 194 |
| **TOTAL LIABILITIES** | | **789** | **354** |
| **NET ASSETS** | | **2,058** | **3,245** |
| **EQUITY** | | | |
| Share capital | 16 | 106 | 94 |
| Share premium | 16 | 6,798 | 6,310 |
| Other reserves | | (68) | (68) |
| Share based payment reserve | 17 | 73 | 161 |
| Retained earnings | | (4,851) | (3,252) |
| **TOTAL EQUITY** | | **2,058** | **3,245** |

**Consolidated Statement of Cash Flows**

| | **Year ended 30 November 2023** | **Year ended 30 November 2022** |
|---|---|---|
| | **£'000** | **£'000** |
| **CASH FLOWS USED IN OPERATING ACTIVITIES** | | |
| Loss for the period after tax | (1,687) | (2,032) |
| Adjustment for : | | |
| Finance costs | 18 | 10 |
| Depreciation | 33 | 34 |
| Adjustments for changes in working capital | | |
| Inventory | (105) | (51) |
| Trade and other receivables | 139 | (119) |
| Rights of use asset | - | 30 |
| Trade and other payables | 464 | (51) |
| Lease Liability | (27) | 27 |
| Interest paid | (18) | - |

| | | |
|---|---|---|
| **NET CASH FLOW USED IN OPERATING ACTIVITIES** | (1,183) | (2,152) |
| | | |
| **CASH FLOW USED IN INVESTING ACTIVITIES** | | |
| Additions to property, plant and equipment | (1) | (1) |
| **NET CASH FLOW USED IN INVESTING ACTIVITIES** | (1) | (1) |
| | | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Issue of share capital | 500 | - |
| **NET CASH FLOW FROM FINANCING ACTIVITIES** | 500 | - |
| | | |
| **(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS** | (684) | (2,153) |
| | | |
| **CASH AND CASH EQUIVALENTS AT THE START OF YEAR/PERIOD** | **782** | **2,936** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD** | **98** | **782** |

**Consolidated Statement of Changes in Equity**

| | Share Capital | Share Premium | Share Based Payment Reserve | Other Reserve | Accumulated Losses | Total Equity |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Balance at 30 November 2021** | **94** | **6,310** | **161** | **(68)** | **(1,218)** | **5,279** |
| Loss and total comprehensive loss for the period | - | - | - | - | (2,032) | (2,032) |
| **Balance at 30 November 2022** | **94** | **6,310** | **161** | **(68)** | **(3,252)** | **3,245** |
| Transfer arising from warrants exercised | - | - | (88) | - | 88 | - |
| Share Issue | 12 | 488 | - | - | - | 500 |
| Loss and total comprehensive loss for the period | - | - | - | - | (1,687) | (1,687) |
| **Balance at 30 November 2023** | **106** | **6,798** | **73** | **(68)** | **(4,851)** | **2,058** |

**Statement of Financial Position of the Parent Company**

| Company Number: 13403221 | **Notes** | **30 November 2023** | **30 November 2022** |
|---|---|---|---|
| | | **£'000** | **£'000** |
| **ASSETS** | | | |
| NON-CURRENT ASSETS | | | |
| Investments | 20 | 2,776 | 2,776 |
| Property, plant and equipment | | 2 | 2 |
| TOTAL NON-CURRENT ASSETS | | 2,778 | 2,778 |
| **CURRENT ASSETS** | | | |
| Trade and other receivables | 13 | 2,838 | 2,058 |
| Cash and cash equivalents | 18 | 45 | 692 |
| TOTAL CURRENT ASSETS | | 2,883 | 2,750 |
| **TOTAL ASSETS** | | **5,661** | **5,528** |
| **LIABILITIES** | | | |
| CURRENT LIABILTIES | | | |
| Payables: Amounts falling due within one year | 14 | 390 | 141 |
| **TOTAL LIABILITIES** | | **390** | **141** |
| **NET ASSETS** | | **5,271** | **5,387** |
| **EQUITY** | | | |
| Share capital | 16 | 106 | 94 |
| Share premium | 16 | 6,798 | 6,310 |
| Share based payment reserve | 17 | 73 | 161 |
| Retained earnings | | (1,706) | (1,178) |
| **TOTAL EQUITY** | | **5,271** | **5,387** |

**Statement of changes in Equity of the Parent Company**

| | Share | Share | Share based | Accumulated |
|---|---|---|---|---|

| | Capital | Premium | payment reserve | losses | Total equity |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Balance at 30 November 2021** | **94** | **6,310** | **161** | **(536)** | **6,029** |
| Loss and total comprehensive loss for the period | - | - | - | (642) | (642) |
| **Balance at 30 November 2022** | **94** | **6,310** | **161** | **(1,178)** | **5,387** |
| Transfer arising from warrants exercised | - | - | (88) | 88 | - |
| Share issue | 12 | 488 | - | - | 500 |
| Loss and total comprehensive loss for the period | - | - | - | (616) | (616) |
| **Balance at 30 November 2023** | **106** | **6,798** | **73** | **(1,706)** | **5,271** |

**Notes to consolidated and parent company financial statements**

1. **General Information**

The principal activity of Zenova Group plc and its subsidiary and associate companies (collectively "Zenova Group" or "Group") is development, manufacture, and sale of fire-retardant systems.

Zenova Group plc is the Group's ultimate Parent Company ("the parent company"). It is incorporated in England and Wales and domiciled in England. The address of its registered office is 172 Arlington Road London NW1 7HL. Zenova Group plc shares are admitted to trading on the London Stock Exchange's AIM market. Zenova Group Plc is a public limited company, limited by shares.

2. **Basis of Preparation**

The functional and presentation currency is the Pound Sterling.

**Consolidated Financial Statements**

These consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards. IFRS includes Interpretations issued by the IFRS Interpretations Committee.

The consolidated financial statements have been prepared under the historical cost convention, apart from financial assets and financial liabilities are recorded at fair value through the profit and loss.

The preparation of financial statements in compliance with UK-adopted IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in applying the Zenova's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements are disclosed in more detail and the critical accounting judgements are described in Note 3.

**Parent Company Financial Statements**

The parent company financial statements of Zenova Group plc 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, and in accordance with the Companies Act 2006, as applicable to Companies using FRS 101.

The preparation of the parent company's financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the associated accounting policy in Note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of the parent company financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of: (i) paragraph 79(a)(iv) of IAS 1; (ii) paragraph 73(e) of IAS 16 Property, plant and equipment; (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements': 10(d), (statement of cash flows) 16 (statement of compliance with all IFRS), 38A (requirement for minimum of two primary statements, including cash flow statements), 38B-D (additional comparative information), 111 (cash flow statement information), and 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered between two or more members of the Group, provided that any subsidiary which is party to the transaction is wholly owned.

- The requirements of paragraph 17 of IAS 24, 'related party transactions'

The accounting policies set out below have been applied consistently across the Group and to all periods presented in these financial statements.

**3. Significant accounting policies**

***Summary of significant accounting policies and key accounting estimates***

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

***Going concern***

In the year to 30 November 2023 the Group reported a loss after taxation of £1.69m. Net current liabilities at 30 November 2023 were £0.26m.

The Group assesses at each reporting date whether it is a going concern for a period of at least 12 months. In making this assessment management considers:

(a) the current working capital position and operational requirements;

(b) the timing of expected sales receipts and completion of existing orders;

(c) the sensitivities of forecast sales figures over the going concern review period;

(d) the timing and magnitude of planned expenditure; and

(e) the level of indebtedness of the Group and timing of when such liabilities may fall due, and accordingly the working capital position over the next 12 months.

Management considers in detail the going concern assessment, including the underlying assumptions, risks and mitigating actions to support the assessment. The assessment is subject to estimation uncertainty and there is judgement in determining underlying assumptions.

There are several scenarios which management have considered that could impact the financial performance of the Group. These include:

(a) Disruption of the supply chain, and any delays in the supply of raw material that may impact the ability of the Group to produce its products.

(b) Delays in testing and certification required for geographical and sector specific expansion.

(c) Failure of the sales contracts to be realised and expected sales growth to fall below expectations.

(d) Changes in legislation that may increase lead times in production or testing.

(e) Intellectual property on which the Group may be reliant to keep its competitive advantage could be challenged.

(f) Significant negative market events or changes in investor appetite which could delay or hinder any planned capital raising.

In performing the going concern assessment, management have prepared five scenarios ranging from an upside scenario to a severe but plausible downside scenario. The scenarios make varying assumptions about the speed at which the Group will secure new orders based on probabilities assigned to the current sales pipeline. In the scenario considered to reflect a severe but plausible downside, the Directors have profiled cash balances over the coming 12 months on the basis that sales continue at levels achieved in FY23 and that new contracts are not won or are delayed.

If the cash receipts from sales are lower than anticipated the Group has identified that it has available to it a number of contingent actions, that it can take to mitigate the impact of a downside scenario. In a severe but plausible downside scenario the Group will be required to draw on one or more of these mitigating actions to meet the Group's projected cash requirements in the going concern review period.

These mitigating measures include seeking additional fundraising through the issue of new shares, obtaining cash credits in respect of R&D expenditure and through achieving further cost savings.

In respect of any potential fundraising, after consulting the Company's brokers the Directors are confident of raising sufficient net proceeds to cover the projected working capital requirements during the review period.

In respect of R&D tax credits, the Board notes the cash recovered during the year in respect of R&D claims relating to the years ended 30 November 2021 and 30 November 2022. Whilst any future R&D claim is subject to review and approval by HMRC, the Directors are confident of the merits of a future R&D claim in respect of expenditure incurred in the year to 30 November 2023.

The key element of cost saving mitigations is in respect of Director remuneration. Since December 2022, all Directors as well as certain employees and consultants have agreed to defer 50% of their contractual salaries until such time as the Group achieves a set level of monthly revenue sufficient to enable to it make full or partial repayment. The Company has received confirmations from all Directors that they are willing to defer 100% of their salaries if necessary to support the Group's cash requirements during the going concern review period.

The Directors are confident that the Group will be able to meet its ongoing working capital requirements from new orders, but also consider that in a severe but plausible downside scenario there are sufficient options to enable the Group to continue to meet its cash requirements should that scenario arise.

In conclusion, having regard to the existing and future working capital position and projected sales the Directors are of the opinion that the application of the going concern basis is appropriate, however for the reasons noted above, they acknowledge the existence of a material uncertainty which may cast significant doubt over the Group's and Company's ability to continue in operation.

***Critical accounting estimates and judgements***

***Critical accounting estimates and judgements***

The Group makes certain estimates and assumptions in the preparation of financial statements. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable that best reflects the conditions and circumstances that exist and the reporting date.

The principal estimates are judgements that could have effect upon the Group's financial results are the valuation of investments, goodwill impairment and recoverability of receivables including loans to subsidiaries. Further details of these estimates and judgements are set out in the related accounting policies for these items.

***Revenue recognition***

The Group recognises revenue on the transfer of goods and services in accordance with the contractual terms entered into with clients.

The revenue recognition policy is that revenue is recognised when goods are received by the customer. Typical payment terms provide for payment are 30 days after delivery.

***Segment reporting***

IFRS 8 requires that an entity disclose financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments. Operating segments are identified on the basis of internal reports that are regularly reviewed by the Board to allocate resources and to assess performance. Using the Group's internal management reporting as a starting point the single reporting segment set out in Note 4 has been identified.

***Foreign currency transaction and balances***

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are included in statement of total comprehensive income for the period in operation expenses.

***Tax***

The tax expenses for the period represents the sum of the tax currently payable and the deferred tax charge.

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. 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.

The carrying amount of deferred tax assets are reviewed at each reporting 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 assets and liabilities are offset where there is a legally enforceable right to set of current tax assets against current tax liabilities and when the relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

***Goodwill***

The Group's goodwill relates entirely to the acquisition of Zenova Distribution Limited

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is evidence that it may be impaired. Goodwill is denominated in the currency of the acquired entity and revalued to the closing exchange rate at each reporting period date.

Details of significant judgements applied in the goodwill impairment test are given in Note 9.

***Property, Plant and Equipment***

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant, and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation of items of property, plant and equipment, is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life.

The estimated useful lives of property, plant and equipment are as follows:

- Office equipment - 3-5 years

***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Such investments are those with original maturities of three months or less.

***Inventories***

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale. The First In First Out (FIFO) cost method is used by the Group.

***Leases***

The Group recognises a right-of-use asset and corresponding liability at the date at which a leased asset is made available for use by the Group, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities are measured at the present value of the future lease payments, excluding any payments relating to non-lease components. Future lease payments include fixed payments, in-substance fixed payments, and variable lease payments that are based on an index or a rate, less any lease incentives receivable. Lease liabilities also take into account amounts payable under residual value guarantees and payments to exercise options to the extent that it is reasonably certain that such payments will be made.

The payments are discounted at the rate implicit in the lease or, where that cannot be readily determined, at an incremental borrowing rate.

Right-of-use assets are measured initially at cost based on the value of the associate lease liability, adjusted for any payments made before inception, initial direct costs and an estimate of the dismantling, removal and restoration costs required in the terms of the lease.

The Group presents right-of-use assets in 'non-current assets' in the consolidated statement of financial position. Subsequent to initial recognition, the lease liability is reduced for payments made and increased to reflect interest on the lease liability (using the effective interest method).

The related right-of-use asset is depreciated over the term of the lease or, if shorter, the useful economic life of the leased asset. The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. Where the lease contains a purchase option the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised.

The Group remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

***Investments in subsidiaries***
Investments in subsidiaries are held at cost less accumulated impairment. Investments are reviewed for impairment at the balance sheet date in addition to whenever events or circumstances indicate that the carrying amount may not be recoverable.

***Financial instruments***
Financial assets, including trade and other receivables and cash and bank balances are initially recognized at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for lifetime expected credit losses based on past and forward-looking information. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognized in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

***Reserves***

- **Share capital**
  Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.
- **Share premium**
  Share premium represents the premium over nominal value at which shares are issued less costs associated with the issue of shares.
- **Other reserves**
  Other reserves represent the merger reserve created on acquisition of Zenova Limited as part of the share

reorganisation.

- Retained earnings
  Retained earnings represents the company's profits and losses which have accumulated year on year since the Company began trading.

- Share based payment reserve
  The share based payment reserve reflects fair value of share based payments in scope of IFRS 2 in respect of instruments which have not expired, lapsed or been exercised at the reporting date.

***Equity settled transactions***

The Group has entered into equity settled share-based payments as consideration for services received. Equity settled share-based payments are measured at fair value at the date of grant.

The Group has measured the fair value by reference to the equity instruments issued as it is not possible to measure reliably the fair value of the services received.

The fair value of share options and warrants are recognised in the profit and loss over the vesting period by reference to the expected number of instruments expected to vest at the reporting date.

**Basis of consolidation**

The Group financial statements consolidate those of Zenova Group Plc (the "Company") and its subsidiaries. The parent company financial statements present information about the Company as a separate entity and not about its group.

The consolidated financial statements incorporate the financial information of Zenova Group Plc and its subsidiaries Zenova Limited and Zenova Distribution Limited.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. Further to this, subsidiaries are entities for which the Group has the power to govern the financial and operating policies and consistent accounting policies have been adopted across the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

***The impact of new IFRSs adopted during the year***
During the year the Group adopted the following IFRS amendments and standards for the first time:

- Onerous contracts (Amendments to IAS 37)
- Property, plant and equipment (Amendments to IAS 16)
- Annual Improvements 2018-2020 cycle (IFRS 1, IFRS 9, IFRS 16 and IAS 41), and
- References to Conceptual Framework (Amendments to IFRS 3)

**New standards, interpretations and amendments not yet effective**

The following IFRSs and amendments have been issued by the IASB but are not effective until a future period.

- IFRS 17 Insurance Contracts and Initial Application of IFRS 17 and IFRS 9, Comparative Information (Amendments to IFRS 17)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax Relating to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- IFRS 16 Leases (Amendment, Liability in a Sale and Leaseback) (not yet endorsed by the UK Endorsement Board)
- IAS 1 Presentation of Financial Statements (Amendments to Classification of Liabilities as Current or Non-current) (not yet endorsed by the UK Endorsement Board)
- IAS 1 Presentation of Financial Statements (Amendment to Non-current liabilities with covenants).

The Board are currently assessing the impact of these new amendments on the group's financial reporting for future periods. However, the Board does not expect any of the above to have a material impact future results.

**4. Segment information**

At present the Group is considered to have only one segment being the sale and distribution of fire safety products.

**Revenue**

The revenue for the year ended 30 of November was £278k (2022: £175k).

Revenue analysed by geographical market:

| Revenue analysed per geographical market | Year ended 30 November 2023 £'000 | Year ended 30 November 2022 £'000 |
|---|---|---|
| UK | 108 | 175 |
| Europe | 115 | - |

| | | |
|---|---|---|
| Rest of the world | 55 | - |
| Total Revenue | 278 | 175 |

There were 5 customers (2022: 4 customers) individually that comprised more than 10% of the revenue. These customers contributed revenue of £238k (2022: £147k)

**5. Expenses by nature**

| Group | Year ended 30 November 2023 £'000 | Year ended 30 November 2022 £'000 |
|---|---|---|
| Operating loss is stated after charging/(crediting): | | |
| Cost of materials sold | 216 | 67 |
| Fees payable to Company's auditors | 30 | 59 |
| Professional fees | 211 | 209 |
| Admin Expenses | 41 | 54 |
| Other costs | 94 | 6 |
| Consultancy fees | 274 | 235 |
| Travel & entertainment | 62 | 79 |
| Staff Costs | 621 | 795 |
| IT, Telephones and Communication | 42 | 17 |
| Marketing & Material | 54 | 153 |
| Rent & Rates | 56 | 65 |
| R&D | 505 | 398 |
| Depreciation | 33 | 34 |
| Other staff costs | 84 | 26 |
| Finance cost | 18 | 10 |
| Cost of sales, administrative and operational expenses | 2,341 | 2,207 |

The analysis of auditors' remunerations is as follows:

| Group | Year ended 30 November 2023 £'000 | Year ended 30 November 2022 £'000 |
|---|---|---|
| Fees payable to the Company's auditors for services to the group: | | |
| Audit of the group and parent financial statements | 30 | 44 |
| **Total audit services** | 30 | 44 |

**6. Directors and employees**

The Employee benefit expenses during the year were as follows:

| Group | Year ended 30 November 2023 £'000 | Year ended 30 November 2022 £'000 |
|---|---|---|
| Wages and salaries | 577 | 709 |
| National insurance | 37 | 78 |
| Pension contributions | 7 | 8 |
| | **621** | **795** |

The monthly average number employed during the year were as follows:

| Group | Year ended 30 November 2023 | Year ended 30 November 2022 |
|---|---|---|
| Directors | 5 | 5 |
| Employees | 6 | 3 |
| | 11 | 5 |

| Company | Year ended 30 November 2022 | Period ended 30 November 2022 |
|---|---|---|
| Directors | 5 | 5 |
| Employees | 1 | 1 |
| | 6 | 6 |

Key management personnel, as defined by IAS 24 "Related party disclosures" have been identified as the Board of Directors. Detailed disclosures of Directors remuneration, Directors' transactions, and Directors interests and share options for those Directors who served during the year are set out below:

options for those Directors who served during the year are set out below.

| Group | Year ended 30 November 2023 £'000 | Year ended 30 November 2022 £'000 |
|---|---|---|
| Salary | 284 | 372 |
| Consultancy Fees | 164 | 40 |
| **Aggregate emoluments payable to directors** | 448 | 412 |

The highest paid director's emoluments were as follows:

| Group | Year ended 30 November 2023 £'000 | Year ended 30 November 2022 £'000 |
|---|---|---|
| Salary | 103 | 125 |
| **Total amount of emoluments payable** | 103 | 125 |

Remuneration in respect of the Directors was as follows:

| Year ended 30 November 2023 | Salary £'000 | Consultancy Fees £'000 | Benefits £'000 | Share Options £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Executive Directors** | | | | | |
| Tony Crawley | 102 | - | 1 | - | 103 |
| Thomas Melchior | - | 99 | - | - | 99 |
| Don Nicolson | 72 | - | - | - | 72 |
| | 174 | 99 | 1 | - | 274 |
| **Non-Executive Directors** | | | | | |
| Alain Gottesman | 35 | - | - | - | 35 |
| Fiona Rodford | 39 | - | - | - | 39 |
| Etrur Albani | 35 | 65 | - | - | 100 |
| | 109 | 65 | - | - | 174 |
| **Total** | **283** | **164** | **1** | **-** | **448** |

Benefits represents pension contributions. The number of directors to whom pension benefits accrued in the year was 1 (2022: 1).

| Year ended 30 November 2022 | Salary £'000 | Consultancy Fees £'000 | Benefits £'000 | Share Options £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Executive Directors** | | | | | |
| Tony Crawley | 125 | - | - | - | 125 |
| Thomas Melchior | - | 40 | - | - | 40 |
| Don Nicolson | 80 | - | - | - | 80 |
| | 205 | 40 | - | - | 245 |
| **Non-Executive Directors** | | | | | |
| Alain Gottesman | 35 | | | | 35 |
| Fiona Rodford | 35 | | | | 35 |
| Etrur Albani | 97 | | | | 97 |
| | 167 | - | - | - | 167 |
| **Total** | **372** | **40** | **-** | **-** | **412** |

During the year, and continuing as at date of approval of these financial statements, certain directors have agree to defer salaries at a rate of 50% until such time as the Group has sufficient cash to repay outstanding balances and resume full salary payment by referenced to an agreed revenue target. In May 2024 the Directors undertook to defer 100% of future salary payments if the Group so requires as part of the Group's cash preservation strategy. At the year end £158,767 (2022: Nil) was payable to persons who are directors at the balance sheet date in respect of deferred salaries. At that date £91,459 (2022: Nil) was payable to former directors in respect of deferred salaries.

No share options were awarded to directors in the year (2022: none) and no directors exercised share options in the year (2022: none).

**7. Taxation**

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the Group as follows:

| | Year ended 30 November 2023 £'000 | Year ended 30 November 2022 £'000 |
|---|---|---|
| **Reconciliation of effective tax rate** | | |
| Loss before income tax | 2,063 | 2,032 |
| Tax calculated at applicable tax rates of 19% | 309 | 386 |
| Tax effect of expenses that are not deductible in determining taxable profit | - | - |
| Deferred tax asset not recognised in respect of losses | (309) | (386) |
| R&D and Corporate tax credits received during the year | (376) | - |
| **Total tax charged / (credit) for the year** | (376) | - |

With effect from 1 March 2023 the headline rate of UK tax rose to 25%, with a small profits rate of 19% and marginal relief in between. As the company has not yet reported a profit, the small profits rate has been applied for purpose of the tax reconciliation. Accordingly, the Company's losses for this accounting year are taxed at an effective rate of 19% (2022 - 19%).

As at 30 November 2023, the group had estimated tax losses of £3.9m (2022: £3.3m) in respect of which a deferred tax asset of £1m (2022: £0.8m) has not been recognised due to uncertainty over the availability and timing of future taxable profits. The losses have no expiry date.

**8. Earnings per share**

| | Year ended 30 November 2023 £'000 | Year ended 30 November 2022 £'000 |
|---|---|---|
| Loss for the year used for the calculation of basic EPS | 1,687 | 2,032 |
| | | |
| **Number of shares** | | |
| Weighted average number of ordinary shares for the purpose of basic EPS | 99,847,978 | 42,408,348 |
| Effect of potentially dilutive ordinary shares | - | - |
| Weighted average number of ordinary shares for the purpose of diluted EPS | 99,847,978 | 42,408,348 |
| | | |
| **Loss per share** | | |
| Basic | (1.69p) | (4.79p) |
| Diluted | (1.69p) | (4.79p) |

Basic earnings per share is calculated by dividing the loss attributable to owners of the Group by the weighted average number or ordinary shares in issue during the year.

**9. Goodwill**

| Group | Goodwill £'000 |
|---|---|
| **Net Book Value** | |
| At 1 December 2021 | 2,346 |
| Additions | - |
| **At 30 November 2022** | 2,346 |
| Additions | - |
| **At 30 November 2023** | 2,346 |

Goodwill represents the access to new distribution networks arising from the group's acquisition of Zenova Distribution Limited. Goodwill is allocated to a single cash generating unite which is the entire Zenova group. The directors performed an impairment test by reference to value in use, using a discounted cash flow model. In performing this assessment, the directors have made certain assumptions about the ability of the group to win new orders and grow its distribution channels. The impairment test assumes a strong growth in revenues and profits in excess of growth achieved during the year. Based on the signing of new distribution agreements, the award of additional certifications and the signing of new orders, as well as review of the group's sales pipeline and marketing strategy, the Board are satisfied that the assumptions used are reasonable and achievable. The Board have also had regard to the size of the global market for its products and the nature of the group's competitive advantages. The Board's forecasts cover a period of 5 years and apply a discount rate of 14% which is derived discount rates applied by companies with similar risk profiles. The Board are conscious that if sales do not grow as anticipated, future goodwill impairment might result in impairments being recorded. The impairment test resulted in significant headroom above the carrying value of the assets tested.

**10. Property Plant and Equipment**

| Group | Office Equipment £'000 | Total Property, Plant and Equipment £'000 |
|---|---|---|
| **Cost** | | |
| At 1 December 2021 | 9 | 9 |
| Additions | 4 | 4 |
| **At 30 November 2022** | 13 | 13 |
| Additions | 1 | 1 |
| **At 30 November 2023** | 14 | 14 |
| | | |
| **Depreciation** | | |
| At 1 December 2021 | 1 | 1 |
| Charge for the year | 3 | 3 |
| **At 30 November 2022** | 4 | 4 |
| Charge for the year | 4 | 4 |
| **At 30 November 2023** | 8 | 8 |
| | | |
| **Net book value** | | |
| At 1 December 2021 | 8 | 8 |
| **At 30 November 2022** | 9 | 9 |
| **At 30 November 2023** | 6 | 6 |

**11. Right of use asset**

| Group | As at 30 November 2023 £'000 | As at 30 November 2022 £'000 |
|---|---|---|
| **Cost** | 157 | 157 |
| | | |
| **Depreciation** | | |
| Opening balance | 38 | 8 |
| Charge for the year | 30 | 30 |
| Closing balance | 68 | 38 |
| | | |
| **Net book value** | 149 | 119 |

**12. Inventory**

| Group | As at 30 November 2023 £'000 | As at 30 November 2022 £'000 |
|---|---|---|
| Inventory | 155 | 51 |

The cost of inventories recognised as expense in the year was £67,393 (2022: £216,583).

**13. Trade and other receivables**

| Group | As at 30 November 2023 £'000 | As at 30 November 2022 £'000 |
|---|---|---|
| **Current assets** | | |
| Trade receivable | 165 | 12 |
| Less: provision for credit loss on receivables | 99 | 6 |
| Trade receivables (net) | 66 | 6 |
| | | |
| VAT Recoverable | - | 14 |
| Other receivables | 87 | 272 |
| **Total current receivables** | 153 | 292 |

| Company | As at 30 November 2023 £'000 | As at 30 November 2022 £'000 |
|---|---|---|
| **Current assets** | | |
| Amounts due from group companies (Note 21) | 2,817 | 2,029 |
| VAT recoverable | - | 10 |
| **Other** | 21 | 19 |

| | | |
|---|---|---|
| | 2,838 | 2,058 |

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and liquidity risk can be found in Note 18.

Trade receivables are disclosed net of a provision for bad and doubtful debts. The provision for bad and doubtful debts is based on specific risk assessment and reference to past default experience. Further details are included in Note 18.

The Board have assessed the recoverability of the Company's investment in subsidiaries as well as loans receivable. As the same projected cash flows are used to perform the group goodwill impairment test, the Board consider that the disclosure in Note 9 applies similarly to their assessment of impairment on intercompany net investments.

**14. Trade and other payables**

| Group | As at 30 November 2023 £'000 | As at 30 November 2022 £'000 |
|---|---|---|
| **Amounts falling due after one year** | | |
| Bank Loan | 28 | 39 |
| | 28 | 39 |
| **Amounts falling due within one year** | | |
| Trade Payables | 379 | 75 |
| Accruals | 39 | 75 |
| Other payables | 250 | 44 |
| | 668 | 194 |

| Company | As at 30 November 2023 £'000 | As at 30 November 2022 £'000 |
|---|---|---|
| Trade Payables | 217 | 51 |
| Accruals | 39 | 67 |
| Other Payable | 134 | 23 |
| | 390 | 141 |

All trade and other payables are GBP denominated. All foreign currency denominated payables have been translated to GBP at the exchange rate prevailing at 30 November 2023 and 2022.

The group holds a Bounce Bank Loan on which interest of 2.5% accrues and which is repaid in monthly instalments over 72 months from receipt.

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

**15. Leases**

Set out below are the carrying amount of the lease liabilities and the movements in the period.

| Group | As at 30 November 2023 £'000 | As at 30 November 2022 £'000 |
|---|---|---|
| At start of the period | 121 | 148 |
| Additions | - | - |
| Interest expense | 90 | 11 |
| Rent payments made in year | (38) | (38) |
| At 30 November | 93 | 121 |

| As at 30 November 2023 | Carrying amount £'000 | Contractual cash flows £'000 | 6 months or less £'000 | 6-12 months £'000 | 1-2 years £'000 | 2-5 years £'000 |
|---|---|---|---|---|---|---|
| Lease liability | 93 | 114 | 19 | 19 | 38 | 38 |

| As at 30 November 2022 | Carrying amount £'000 | Contractual cash flows £'000 | 6 months or less £'000 | 6-12 months £'000 | 1-2 years £'000 | 2-5 years £'000 |
|---|---|---|---|---|---|---|
| Lease liability | 119 | 152 | 19 | 19 | 38 | 76 |

**16. Share capital**

| Group and Company | 2023 Number | 2022 Number | Share capital 2023 £'000 | Share capital 2022 £'000 | Share premium 2023 £'000 | Share premium 2022 £'000 |
|---|---|---|---|---|---|---|
| Issued called up and fully paid ordinary shares of £0.001 each | | | | | | |
| At 1 December | 93,384,053 | 93,384,053 | 94 | 94 | 6,310 | 6,310 |
| Issued in the year | 12,966,920 | - | 12 | - | 488 | - |
| At 30 November | 106,350,973 | 93,384,053 | 106 | 94 | 6,798 | 6,310 |

**17. Share based payment reserve**

During the periods presented, the Group had in issue two classes of share-based payments being warrants issued to investors on a one-for-one bases as part of a subscription for shares in placings, and warrants issued to advisors in exchange for services related to the Group's Initial Public Offering ('IPO').

No share options or warrants have been issued to Directors or employees as remuneration for their services as Directors or Employees.

All share payments in issue are therefore termed as 'warrants'.

Where warrants are issued to investors as part on an issue of shares, the Board consider that no services are received in exchange and therefore such warrants are outside the scope of IFRS 2. No fair value is assigned to these warrants as they are considered as incidental to a purchase of a share.

Where warrants were issued to advisors at the time of the Group's IPO, the fair value of those services was determined by reference to the Black-Scholes model and the fair value was recorded in profit or loss over the vesting period. All warrants vested immediately other than those issued to Don Nicolson which vest over 3 years.

The fair value of share options and warrants are recognized in profit or loss over the vesting period by reference to the expected number of instruments expected to vest at the reporting date. All warrants in issue are equity-settled at a fixed exercise price. All warrants have a fixed expiry date.

Where warrants are exercised, lapse or expire, the Group's policy is to transfer the fair value of those warrants from the share-based payment reserve to accumulated losses.

| **Group and Company** | **As at 30 November 2023 £'000** | **As at 30 November 2022 £'000** |
|---|---|---|
| At 1 December | 161 | 161 |
| Transferred to retained earnings in respect of exercised warrants | (88) | - |
| At 30 November | 73 | 161 |

| **Group and Company** | **As at 30 November 2023** | | **As at 30 November 2022** | |
|---|---|---|---|---|
| | Average exercise price £ | Number of options | Average exercise price £ | Number of options |
| At 1 December | £0.09 | 19,094,794 | £0.001 | 9,338,405 |
| Issued | £0.10 | 12,500,000 | £0.181 | 9,756,389 |
| Exercised | £0.001 | (466,920) | - | - |
| Lapsed | £0.19 | (7,578,944) | - | - |
| At 30 November | £0.07 | 23,548,930 | £0.093 | 19,094,794 |

Of the 23,548,930 outstanding warrants and options (2022: 19,094,794 options), 23,548,930 options (2022: 11,097,240) were exercisable.

466,920 share options were exercised in the period 2023 (2022 - nil). 7,578,944 options lapsed or were not exercised in the year 2023 (2022 - nil).

Share options and warrants outstanding at the end of the period have the following expiry dates and exercise prices:

| **Warrant Holder** | **Number of shares** | **Exercise Price** | **Date of issue** | **Expiry date** |
|---|---|---|---|---|
| Rockmasters Ltd | 9,338,405 | £0.001 | 18/09/2020 | 18/09/2027 |
| Don Nicolson | 526,315 | £0.19 | 04/03/2021 | 04/03/2024 |
| Brandon Hill Capital Limited | 1,184,210 | £0.19 | 22/07/2021 | 22/07/2024 |
| Anthony Laughton | 250,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Landquest Group International | 375,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Gervaise Heddle | 1,250,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Christopher Shrubb | 625,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Christopher Wilson | 250,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Ssas Johnson Fellowes | 250,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Vanessa Bennett | 125,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Matthew Pactat | 250,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Timothy Pay | 125,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Big Island Holdings Limited | 1,250,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| SI Capital | 75,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Clive Roberts | 375,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Adrian Hargrave | 250,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| GIS | 550,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Andy Muir | 2,500,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Hobart Capital Markets | 250,000 | £0.10 | 14/06/2023 | 14/06/2026 |

| | | | | |
|---|---|---|---|---|
| Subtotal | 19,798,930 | | | |

| Deferred subscription agreement | Number of shares | Exercise Price | Date of issue | Expiry date |
|---|---|---|---|---|
| Amati Global Investors | 3,750,000 | £0.10 | 14/06/2023 | 14/06/2026 |
| Subtotal | 3,750,000 | | | |
| | | | | |
| Grand total | 23,548,930 | | | |

The warrants issued in the period were considered outside the scope of IFRS 2 as no services were received.

**18. Capital and Financial risk management**

*Capital risk management*

The group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of equity attributable to equity holders comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital based on the gearing ratio and net debt/cash. This ratio is calculated as total borrowings divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus total borrowings.

The gearing ratios at 30 November 2023 and 30 November 2022 are as follows:

| **Group** | **As at 30 November 2023 £'000** | **As at 30 November 2022 £'000** |
|---|---|---|
| Cash and cash equivalents | 98 | 782 |
| **Net cash** | 98 | 782 |
| Loan | 28 | 39 |
| Total equity | 2,058 | 3,245 |
| Total capital | 2,058 | 3,245 |
| **Gearing ratio** | **0,0136** | **0,0123** |

| **Company** | **As at 30 November 2023 £'000** | **As at 30 November 2022 £'000** |
|---|---|---|
| Cash and cash equivalents | 45 | 692 |
| **Net cash** | 45 | 692 |
| Total equity | 5,271 | 5,387 |
| Total capital | 5,271 | 5,387 |
| **Gearing ratio** | **-** | **-** |

*Financial risk management*

The Group is exposed to several financial risks through its normal operations, the most significant of which are credit, foreign exchange and liquidity risks.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. Risk management is carried out by the board of directors. The Board has established polices and principles for overall risk management covering specific areas such as foreign exchange risk, credit risk and investment of excess liquidity.

*Credit risk*

Credit risk is managed on a group basis. The Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, considering its financial position, past experience and other factors. Sales to retail customers are settled in cash. For payment terms that are not met the Board raises credit loss provisions reflective of the assessed exposure to credit risk.

The carrying amount of financial assets represents the maximum exposure. The maximum exposure to credit risk at the reporting date was £142k (2022 - £1074k). Financial assets are assessed for impairment annually and a provision for bad debt of £99k has been recognised in 2023 (2022-nil).

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of inventory

- cash and cash equivalents

While cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group mitigates banking sector credit risk through the use of banks with no lower than a single A rating.

No credit loss provision has been raised by the company in respect of its loans to subsidiaries as a result of the assessment described in Note 9. Intercompany loans are interest free and repayable on demand, but the parent has undertaken not to recall such loans until the subsidiary is in a position to repay without affecting the ability of the subsidiary to meet its projected working capital requirements.

*Foreign exchange risk*

The Group operates primarily in the United Kingdom and is only exposed to very limited amounts of foreign exchange risk arising from various currency exposures.

There is no cash denominated in non-GBP currency as at 30 November 2023 or 2022.

*Liquidity risk*

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to the group treasury.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

The following are the contractual maturities of financial liabilities for the Group as at 30 November 2023 and 30 November 2022 based upon contractual cash flows:

| As at 30 November 2023 | Carrying amount £'000 | Contractual cash flows £'000 | 6 months or less £'000 | 6-12 months £'000 | 1-2 years £'000 | 2-5 years £'000 |
|---|---|---|---|---|---|---|
| Trade and other payables | 696 | 696 | 668 | - | 28 | - |
| | 696 | 696 | 668 | - | 28 | - |

| As at 30 November 2022 | Carrying amount £'000 | Contractual cash flows £'000 | 6 months or less £'000 | 6-12 months £'000 | 1-2 years £'000 | 2-5 years £'000 |
|---|---|---|---|---|---|---|
| Trade and other payables | 233 | 233 | 194 | - | 39 | - |
| | 233 | 233 | 194 | - | 39 | - |

Ultimate 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 Group's short-, medium-, long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cashflows, and by matching the maturity profiles of financial assets and liabilities.

*Fair Values*

The directors have reviewed the financial statements and have concluded that, there are no significant differences between the book values and the fair values of the financial assets and financial liabilities of the Group and Company as at 30 November 2023 and 30 November 2022.

**19. Interests in other undertakings**

| | Ownership | Date incorporated | Registered office | Place of incorporation | Principal Activity |
|---|---|---|---|---|---|
| **Zenova Limited** | 100% | 20 Jan 2020 | 172 Arlington Road, London, England, NW1 7HL | England and Wales | Operating Company |
| **Zenova Distribution Limited** | 100% | 16 Sep 2020 | 172 Arlington Road, London, England, NW1 7HL | England and Wales | Distribution Company |

**20. Investments**

| Company | As at 30 November | As at 30 November |
|---|---|---|

| | 2023<br>£'000 | 2022<br>£'000 |
|---|---|---|
| Shares in subsidiary undertakings | 2,776 | 2,776 |
| | 2,776 | 2,776 |

**21. Related party transactions**

The executive directors are also considered key management as defined by IAS 24 'Related Party Disclosures'. The remuneration of key management is considered in Note 6.

The Company financial statements of Zenova Group Plc include amounts receivable from its subsidiary undertakings Zenova Limited and Zenova Distribution Limited of £2,892k (2022 - £2,029k) and amounts payable of £75k (2022 - £Nil). Amounts provided to Zenova Limited and to Zenova Distribution Limited relate to the provision of funding for operations and capital expenditure. All intercompany loans are interest free, unsecured and repayable on demand.

**22. Contingent liabilities**

At the year end, the company is the party to an active legal claim and has identified a further potential claim arising under a historic contract. In respect of both matters, the Board considers that the timing and amount of any outflow is uncertain and so represents a contingent liability at the year end.

**23. Controlling parties**

In the opinion of the Directors, there is no single ultimate controlling party.

**24. Post Balance Sheet Events**

On 15 March 2024 the Group issued 33,875,000 new ordinary shares at 2p per share raising gross proceeds of £677,500 gross through a subscription, earmarked for bolstering working capital.



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