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Angus Energy PLC
06 March 2025

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06 March 2025

Angus Energy PLC

("Angus Energy", the "Company" or together with its subsidiaries, the "Group") (AIM:ANGS)

Annual Report and Accounts and Notice of Annual General Meeting

Angus Energy is pleased to announce its audited annual accounts for the year ended 30 September 2024 (the "Accounts"), extracts of which are set out below.

In addition, the Company's 2025 annual general meeting ("AGM") will be held on 31 March 2025 at 11.00 a.m. at the offices of Fieldfisher, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom. The full copy of the Accounts along with the AGM Notice were posted to all shareholders today and are also available on the Company's website, http://www.angusenergy.co.uk/

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For further information please visit www.angusenergy.co.uk

Angus Energy Plc

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Chief Executive Director Via Flagstaff

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About Angus Energy plc

Angus Energy plc is a UK AIM quoted independent oil and gas company. Angus is the leading onshore gas producer in the UK and has ambitious plans to grow onshore production and diversify internationally. Angus Energy has a 100% interest in the Saltfleetby Gas Field (PEDL005), majority owns and operates conventional oil production fields at Brockham (PL 235) and Lidsey (PL 241) and has a 25% interest in the Balcombe Licence (PEDL244). Angus Energy operates all fields in which it has an interest.

Chairman's statement

Dear Fellow Shareholders,

Dear Fellow Shareholders,

It is my pleasure to present you with the Annual Report of Angus Energy plc (the "Company" or "Angus Energy") with its subsidiary undertakings (the "Group") for the year ended 30 September 2024.

During the year, we focused on maximizing revenue, refinancing of the Company's debt, improving operational efficiency, and maintaining a disciplined approach to capital allocation. There has also been a strong focus on organic and inorganic growth opportunities. Our dedication to sustainable practices, combined with a strong commitment to shareholder returns, positions us well for future success.

Angus has delivered strong revenue of £21.802 million and EBITDA of £10.803 million. Historic hedges, set at less than 50% of current spot gas prices which stop in June 2025, will lead to a substantial improvement in cashflow and overall profits going forwards.

In February 2024, we successfully closed a £20m senior secured loan facility provided by Trafigura PTE Ltd. This allowed the company to exit its previous expensive debt and provided funds to pay legacy creditors and invest in a booster compressor to increase gas production from Saltfleetby Field in Lincolnshire and to restart oil production from the Brockham Oil Field in Southern England.

Operationally, we have maintained steady gas production at Saltfleetby and work on the installation of the booster compressor is progressing with commissioning expected in late first quarter of 2025. The new compressor is planned to boost production and prolong the life of the field.

In line with this strategy, we have completed the geological remapping of the Saltfleetby Gas Field, enabling us to produce an updated dynamic reservoir model calibrated with production history data. With this data we are able to select the best targets for infill drilling opportunities to accelerate production. Geologically the Saltfleetby Gas Field also has gas storage potential and has been identified as the best hydrogen storage reservoir candidate onshore in the UK and 3rd best, including offshore fields. Energy security is high on the Government's agenda, and we will continue to work with all stakeholders to assess the viability of storage opportunities covering hydrogen (production and storage) and carbon capture schemes.

To complement Angus's organic growth, we have created a strong team to look at inorganic opportunities and are in the process of identifying targets, mergers and development candidates. This will be a strong theme for 2025.

Financial and Statutory Information

Revenue from oil and gas production during the year were £21.802m (2023: £28.208m) on production of gross 44 mbbls of condensate oil, 2.6 kbbls of crude oil and 26.5 million therms of natural gas (2023: 32 kbbls of condensate oil, NIL crude oil and 25 million therms of natural gas). This was the result of production from the Saltfleetby Gas Field and Brockham Oil Field.

The Group recorded a loss of £4.301m, which included an impairment of £4.770m for the Brockam Oil Field due to lower than expected production rates. EBITDA (Revenue less Expenses - excluding tax, interest, depletion, impairment and derivative charge) for the period was £10.803m (2023: £17.022m). The group recorded a derivative profit of £10.822m in relation to the fair value movement of the derivative instrument which is based on future production and calculated using forward gas prices as at 30 September 2024. The derivative will be realised to a profit or loss when the payments under the derivative instruments become due (see note 22).

The Company has continued to make a conscious effort to maintain a low cost base at both corporate and operational levels while still maintaining a high level of safety, professionalism and operatorship. Administrative costs have increased by £0.347m to £3.253m (2023: £2.906m), reflecting one off restructuring costs and inflation.

Outlook

With the legacy hedges rolling off in June 2025 the Company looks forward to the benefit of substantially higher free cashflows. After the installation of the booster compressor is completed, the Company will turn its intentions to drilling a fourth well at Saltfleetby, increasing production and adding value for shareholders.

The market for oil and gas continues to evolve, and we remain confident in our ability to navigate these changes, leveraging our experienced team, world-class assets, and strategic partnerships. Looking ahead, we are focused on maximising production from our existing reserves and advancing key development projects by expanding our footprint outside of the UK. We deeply value the trust and support of our shareholders, employees, and stakeholders. I am excited about the opportunities that lie ahead as we continue to build on our success.

Krzysztof Zielicki
Interim Non-Executive Chairman
5 March 2025

Operating Review

I am pleased to report that all operations were performed without any safety incidents or environmental damage.

The Group produced 26.5 million therms of natural gas and 44 mbbls of condensate oil during the period from its Saltfleetby Gas Field and 2.6 kbbls of crude oil from its Brockham Oil Field. The performance of the reservoir and the three producing wells (A4, B2 and B7) have been modelled and well performance has been optimised to deliver quarterly production targets with all quarterly production targets met during 2024.

For the period, operational efficiency was 92% including June and August planned shutdowns for the delivery of safety critical and regulatory driven maintenance, compressor and engine maintenance work, and gas export metering maintenance work. This represents a 2% increase over last year's operating efficiency and was largely due to the improvement in equipment reliability and continued well performance management.

In October 2023 Angus announced the publication of an updated independent Competent Persons Report ("CPR") for its Saltfleetby Gas Field ("SGF") conducted by Oilfields International Limited. The summary of the results, which includes resources and reserves for both sales gas and associated liquids is summarised below:

Saltfleetby Field Net Reserves and Contingent Resource as at August 1, 2023	**1P**	**2P**	**2C**
Sales Gas (Bcf)	22	25	17
Sales Liquids (Mstb)	332	415	238
Total (Mboe)	4,194	4,760	3,204

*Energy equivalent factor 5,800 cubic feet of per boe

The new CPR has taken account of production performance from 3 wells currently in production and the addition of two further development wells in the Main Westphalian reservoir, SF9 and SF10, which are scheduled to enter production in January 2025 and January 2026 respectively.

The CPR also gives the net present value of the cash flows from SGF, including the impact from the revised capex from additional drilling, projected impact of the Energy Profits Levy, the senior loan facility debt service costs, the associated royalties and the mandatory hedging. Oilfield International Limited has used a discount rate of 10%.

We highlight below the NCF and NPV10, discounted to August 1st, 2023: Net Attributable to the Company:

	Net Cash Flow Attributable to the Company		NPV10 Attributable to the Company	
Scenario	**1P**	**2P**	**1P**	**2P**
Pre-Tax	£125.4m	£153.5m	£86.9m	£104.1m
Post-Tax	£78.9m	£90.6m	£57.1m	£64.3m

MOD: money of the day

The full CPR is available for download in the "Presentations" section of the Company's website (www.angusenergy.co.uk/media/presentations).

Under the heading "Review of activities" below we provide a more in-depth summary of operational activities. I will reiterate that our first concern as a Group must be for the safety of our staff, contractors, the public at large and the environment on which we rely on. We will continue to work in close co-operation with all of our regulators, ensuring a spotless record of compliance - the North Sea Transition Authority ("NSTA"), the Environment Agency ("EA") the Health and Safety Executive ("HSE") and our local councils.

Business Review

The principal activity of the Group during the year continued to be on-shore, conventional production and development of hydrocarbons in the UK.

Review of activities

Angus is very conscious of the requirement to operate in a safe and environmentally responsible manner. This is a priority of the management and all our field operators. The activities for the year were carried out with no reportable HSE or Environmental breaches.

Saltfleetby

During the period the Company continued to develop its well performance program and improving equipment reliability. The annual 5-day shutdown in July was conducted with all safety related maintenance completed without incident. Planned maintenance included an 8,000-hour service carried out on the 'A' compressor, including the change out of suction and discharge plate valve assemblies, piston rods, piston rod seals, and piston rings. Top-end services on the 'A' and B' engines were completed with a full changeout of cylinder heads for upgraded non-OEM cylinder head and valve assemblies.

Operational Efficiency for the year improved on the previous year's performance with an average efficiency of 92% achieved, primarily driven by improvements in equipment reliability.

Building on the seismic reprocessing and remapping work completed in 2023, a geocellular, dynamic reservoir model has been constructed across the Westphalian Sandstone and underlying Namurian reservoir at the Saltfleetby Gas Field. The reservoir model gives us a great understanding of the reservoir properties and fluid flow within the reservoir and in turn has then been used to identify several infill drilling opportunities. Additionally, this reservoir model will be fundamental in the progression of the long-term plan for the Satlfleetby field as a storage facility for CO2, Natural Gas or Hydrogen.

Angus is evaluating the drilling of a new well, adding a fourth producer to the field to accelerate production and increase shareholder value. The well is in the preliminary design phase with a target drilling date of late 2025, pending delivery time for long lead items. The target drill date would allow for 2-6 mmcf/d incremental field production in early 2026.

The Company met all its obligations under its live hedging programme and has deferred payments on the crystallised hedges by up to 12 months in agreement with Trafigura. Legacy monthly hedged volumes are currently set at 1,250,000 Therms per month and terminate in June. In July-December 2025, monthly hedged volumes are set at an average volume of 1,075,000 Therms per month at an average price of c. 88 pence per therm. As required under its loan agreement with Trafigura, Angus has struck hedges in for 2026 set at an average volume of 530,000 Therms per month at an average price of c. 103 pence per therm. Please see note 22 and 27 for further details.

Brockham

BRX2Y was brought back on-line May 28th after a successful workover. The well came on-line producing c. 60% water cut at a total fluids rate of approximately 120 bbls/d with only minor operational upsets. Since restarting production, the water cut has fluctuated, with a range of between 60% and 80%, and total fluid rates have stabilized at c. 90 bbls/d, equating to c. 20-25 bbls/d oil production.

The forward strategy now focuses on the optimization of oil production through improvements in operational efficiency. The company recognised an impairment of £4.770 million in relation to the carrying value of Brockham, due to the lower than expected production rates which have impacted on the expected future cash flows from the assets. Production will continue to be monitored, and an assessment is being undertaken to determine if BRX4Z, a suspended offset well, can be commercially brought into production to increase recovery from the Portland reservoir.

Balcombe

Following the initial 7-day well test in the Autumn of 2018, a planning application was submitted in late 2019 for a longer 3-year well test on the Balcombe-2Z well. The aim of the planned operation is to recover remaining drilling fluids from the wellbore and conduct a long-term extended well test to indicate to what degree the well and field can produce hydrocarbons at a commercial rate. The Planning Inspectorate's decision in October 2023 to grant the Company the right to test the existing well, was appealed by a residents' organization and heard in court on the 26th and 27th of January 2025. The decision of the High Court is expected to be made public in April or May 2025.

Lidsey

Due to the high cost of water disposal, Lidsey has remained shut in, however, as previously stated, a planning application has been submitted to allow for transportation of produced water off-site to the Brockham oil field for voidage replacement and pressure maintenance. Should this application be granted, work will be progressed to test the integrity of the well in readiness for future production, confirm the operability of the currently installed artificial lift, and establish the re-instatement production potential of the X2 well. This is low-cost operation, and if successful, it will allow for the reinstatement of the site with produced water trucked to Brockham for injection.

Strategy and Sustainability

The Directors' objective remains unchanged, to create long-term value for shareholders by building the Group into a profitable energy production company with a reputation for technical excellence with strict cost discipline. The Director's will continue to focus on the UK onshore but do not rule out acquisitions overseas in jurisdictions where the rule of law is strong. We understand the energy requirements and infrastructure constraints, combined with a development plan based on fundamentals, can lead to sustainable and profitable opportunities for investors. As such we are constantly reviewing potential projects that will complement our existing core skills and portfolio of assets.

From the point of view of sustainability, the Directors are aligned with the national energy objectives and look forward with enthusiasm to the opportunities ahead in the common goal of net zero. Whilst we will continue to win a return from legacy oil fields, the long-term preference remains for the acquisition of gas assets. There will be a requirement for oil and gas in Britain's energy mix for decades to come and Angus is committed to providing that energy during the transition to lower-carbon energy in the future.

Global Environment and Stewardship

As a Group we do have duties of stewardship to the wider environment of which we are acutely aware. At Angus we realise there needs to be significant improvement in the Energy Mix and the transition begins with the proper operation of the existing energy assets and the responsible development of new ones. We understand hydrocarbons are still needed but must be produced to the highest ESG standards.

When it comes to our existing operations or evaluating potential new projects, we are always focused on creating the least possible impact on the environment.

Local Environment

As a responsible North Sea Transition Authority ("NSTA") approved and Environment Agency ("EA") permitted UK operator, Angus Energy is committed to utilising industry best practices and achieving the highest standards of environmental management and safety. Our operations:

- Continuously assess and monitor environmental impact
- Promote internally and across our industry best practices for environmental management and safety
- Constant attention to maintaining our exemplary track record of safe oil and gas production

There were no reportable health and safety incidents during the year.

Community

Angus Energy seeks and maintains positive relationships with its local communities. We achieve this through our various forms of communication which include community liaison meetings, social media updates, RNS's and Investor Q & A sessions.

In general, we are guided by the following principles:

- Open and honest dialogue
- Engagement with stakeholders at all stages of development
- Proactively addressing local concerns
- Actively minimise impact on our neighbours
- Adherence to a strict health and safety code of conduct

Section 172 Statement

Under Section 172, Directors have a duty to promote the success of the Company for the benefit of the members as a whole and, in doing so, they should have regard to specified areas that relate, by and large, to wider stakeholder interest. Further details of these areas have been enumerated in the Stakeholder Engagement section on page 31 of the annual report.

Financial Review

The Group began the period with the following interests: 80% of Brockham (PL235), 80% of Lidsey (PL241), 25% of Balcombe (PEDL244) and 100% of Saltfleetby Gas Field (PEDL005) after acquisition of Saltfleetby Energy Limited on 23 May 2022.

The Group had a cash balance of £2.172m as at 30 September 2023.

During the period, the Company issued the following shares (please refer to note 15 for a detailed breakdown):

- 516,033,308 ordinary shares in relation to the conversion of the Kemexon Bridge facility,
- 25,000,000 ordinary shares in relation to the settlement of fees,
- 226,513,000 ordinary shares in relation to the settlement of fees,
- 27,447,470 ordinary shares in relation to the Overriding Royalty Interest ("ORRI") payable on

production from the Saltfleetby Gas Field,

The Group had a cash balance of £2.163m at the end of the reporting year.

The Group generated £21.802m revenue from oil and gas production during the year (2023: £28.208m).

The Group recorded a loss of £4.301m, which included an impairment of £4.770m. EBITDA for the period was £10.803m (2023: £17.002m). The group recorded a derivative profit of £10.822m in relation to the fair value movement of the derivative instrument which is based on future production and calculated using forward gas prices as at 30 September 2024. The derivative will be realised to a profit or loss when the payments under the derivative instruments become due (see note 22).

The Group's overall financial objectives are to increase revenue, return to profitability and enhance the asset base supporting the business. In order to monitor its progress towards achieving these objectives, the Group has set a number of key performance indicators, which deal predominately with revenue, profitability, margin and cash flow as above.

Governance, Compliance and Shareholder Relations

The Board consists of a Chief Executive Officer and Finance Director supervised by two experienced Non-Executive Directors. The Board meets regularly alongside with AIM Rules Committee, Remuneration Committee and Audit Committee meetings.

In general, the management structure is very flat. In total we have 27 employees, including management. The Company also relies on experienced third-party contractors.

We have appointed three compliance officers to deal with all our regulators and planning authorities, which are presently Surrey, Lincolnshire and West Sussex County Council, the NSTA, the Environment Agency and the Health & Safety Executive. Additionally, as a publicly listed company, we are answerable to the AIM Market Division and to the Financial Conduct Authority.

Compliance is an area which has grown more complicated and expensive in recent years, and we expect it to get more so. Regulators are being more proactive and pre-emptive, and we must anticipate their needs and expectations better than we have in the past. We should aim to maintain better dialogue with all regulators and planners and engage in more frequent use of pre-approval procedures where they are available.

Principal risks and uncertainties

Currency risks

The Group sells its produced crude oil and gas; oil is priced in US dollars and gas is priced in GBP. As the bulk of the Company's revenue and costs are in GBP, fluctuations in the US dollar, sterling exchange rate or fluctuations in the oil price have a minimal impact on the Group's financial position and performance. Notwithstanding the latter, the value of such transactions may be adversely affected by changes in currency exchange rates, which may have an adverse effect on the business, financial condition, results of operations and prospects of the Group. Management regularly reviews currency exposure with the aim of mitigating any downside exposure where possible.

Market risk

The demand for, and price of, oil and gas are highly dependent on a variety of factors beyond the Group's control. The continued marketing of the Group's oil and gas will be dependent on market fluctuations and the availability of processing and refining facilities and transportation infrastructure, including pipelines, access to roads, train lines and any other relevant options at economic tariff rates over which the Group may have limited or no control. Transport links (including roads and pipelines) may be inadequately maintained and subject to capacity constraints and economic tariff rates may be increased with little or no notice and without taking into account producer concerns. Producers of oil and gas negotiate sales contracts directly with oil and gas purchasers, with the result that the market determines the price of oil and gas. The price depends in part on oil and gas quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance. The marketability and prices of oil and gas that may be discovered or acquired by the Group will be affected by numerous factors beyond its control. The Group has entered into or acquired by the Group will be affected by numerous factors beyond its control. The Group has entered into commodity derivatives for its gas product to protect it from any downside market risk (see note 22 for further details).

Permitting risk

The Group exposed to the planning, environmental, licensing and other permitting risks associated with its operations particularly with development and exploration drilling operations.

The Group has to date been successful in obtaining the required permits to operate. Therefore, the Group considers that such risks are mitigated through compliance with regulations, proactive engagement with regulators, communities and the expertise and experience of the management team.

Reserve and resource estimates

No assurance can be given that hydrocarbon reserves and resources reported by the Group in the future are present as estimated, will be recovered at the rates estimated or that they can be brought into profitable production. Hydrocarbon reserve and resource estimates may require revisions and/or changes (either up or down) based on actual production experience and in light of the prevailing market price of oil and gas. A decline in the market price of oil and gas could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources. Unless stated otherwise, the hydrocarbon reserve and resources data relating to Lidsey and Brockham contained in the financial statements are taken from the Competent Person's Report, at the time of AIM admission on 14 November 2016 and the hydrocarbon reserve and resources data relating to Saltfleetby are taken from the Saltfleetby Competent Person's Report published in October 2023.

There are uncertainties inherent in estimating the quantity of reserves and resources and in projecting future rates of production, including factors beyond the Group's control. Estimating the amount of hydrocarbon reserves and resources is an interpretive process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates.

The hydrocarbon resources data extracted from the Competent Person's Report are estimates only and should not be construed as representing exact quantities. The nature of reserve quantification studies means that there can be no guarantee that estimates of quantities and quality of the resources disclosed will be available for extraction. Therefore, actual production, revenues, cash flows, royalties and development and operating expenditures may vary from these estimates. Such variances may be material. Reserves estimates are based on production data, prices, costs, ownership, geophysical, geological and engineering data, and other information assembled by the Group (which it may not necessarily have produced).

The estimates may prove to be incorrect, and potential investors should not place reliance on the forward-looking statements (including data included in the Competent Person's Report
or taken from the Competent Person's Report and whether expressed to have been certified by the Competent Person or otherwise) concerning the Group's reserves and resources or production levels. Hydrocarbon reserves and resources estimates are expressions of judgment based on knowledge, experience and industry practice. They are therefore imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Estimates that were reasonable when made may change significantly when new information from additional analysis and drilling becomes available.

This may result in alterations to development and production plans which may, in turn, adversely affect operations. If the assumptions upon which the estimates of the Group's hydrocarbon resources have been based prove to be incorrect, the Group (or the operator of an asset in which the Group has an interest) may be unable to recover and produce the estimated levels or quality of hydrocarbons set out in this document and the Group's business, prospects, financial condition or results of operations could be materially and adversely affected.

Events after the reporting period

On 25 February 2025, the Company struck additional hedges as per the requirements of the rolling gas price protection policy in the Trafigura Facility. Please see note 27 for details.

Outlook

With the successful refinancing of the Company's debt and steady production at Saltfleetby, the Company looks forward to achieving positive operational cashflow with the introduction of the new booster compressor, the rolling off of unfavourable legacy hedges and the potential drilling of an additional production well. The Company will continue to explore further oil and gas opportunities and mature its storage project with the intention of not only creating shareholder value but also to address the urgent need for transition energy projects.

Approved by the Board of Directors and signed on behalf of the Board.

Richard Herbert
Chief Executive Officer
5 March 2025

Details of all our assets and operations can be found at www.angusenergy.co.uk

Directors' Report

The Directors present their report together with the audited consolidated financial statements of Angus Energy plc for the year ended 30 September 2024.

Results and Dividends

The Group recorded a loss of £4.301m, which included an impairment of £4.770m. EBITDA for the period was £10.803m (2023: £17.002m). The Group recorded an Operating loss of £2.697m and when adjusted for the derivative financial instrument profit, realised derivative costs and finance costs during the period, resulted in an adjusted operating loss of £15.123m (2023: loss of £19.156m). The derivative profit is based on future production and calculated using forward gas prices as at 30 September 2024. The derivative will be realised to a profit or loss when the payments under the derivative instruments become due (see note 22).

Directors

The Directors who were in office during the year and up to the date of signing the financial statements, unless stated, were:

Executive Directors
Richard Herbert (Chief Executive Officer)
Carlos Fernandes (Finance Director)
Non-Executive Directors
Patrick Clanwilliam (resigned 22 March 2024)
Paul Forrest (resigned 30 April 2024)
Krzysztof Zielicki (appointed 22 March 2024)
Antoine Vayner (appointed 19 June 2024)

The Directors of the Company at the date of this report, and their biographical summaries, are given on page 26 of the annual report.

The Directors' remuneration is detailed in the Directors' Remuneration Report on page 24 to 25 of the annual report. All Directors benefit from the provision of Directors' and Officers' indemnity insurance policies. Premiums payable to third parties were £26,000 (2023- £23,000).

Research and development

As disclosed in Note 10 and 11, the Group incurred expenditure in the development of oil and gas fields.

Share Capital

At the date of this report ordinary shares are issued and fully paid. Details of movement in share capital during the year are given in note 15 to the financial statements.

Substantial Shareholders

As of the date of this report the Group had been notified of the following interests of 3% or more in the Group's ordinary share capital:

	Percentage of shareholding
Kemexon Ltd	22.19%
Forum Energy Limited	8.49%
Knowe Properties	5.46%
Aleph Commodities Ltd	4.80%
Atanas Djumaliev	4.15%

Share options

There were 57,500,000 Share Options issued and 50,999,803 surrendered during the reporting period. See note 16 for further details.

Financial Instruments

The financial risk management objectives and policies of the Group in relation to the use of financial instruments and the exposure of the Group and its subsidiary undertakings to its main risks, credit risk and liquidity risk, are set out in note 23 to the financial statements.

Employees

The Group had an average 27 employees as of 30 September 2024 (2023: 28). Employees are encouraged to directly participate in the business through an Enterprise Management Incentive Scheme, which set out in note 16 to the financial statements. In accordance with the Company's Bonus arrangements, the Board has approved a performance-related bonus scheme for all employees which will pay out if business targets in 2025 are achieved.

Going Concern

The Directors have assessed the Group's working capital forecasts for a minimum of 12 months from the date of the approval of these financial statements. In undertaking this assessment, the Directors have reviewed the underlying business risks, and the potential implications these risks would have on the Group's liquidity and its business model over the assessment period. This assessment included a detailed cash flow analysis prepared by the management, and they also considered several reasonably plausible downside scenarios. The scenarios included potential delays to expected future revenues. In making their overall assessment, the Directors took into account the advanced stage of the development of the Saltfleetby gas field and the impact of any breaches in covenants under the Trafigura Debt Facility and the derivative instrument if there were delays in gas production. As outlined in note 22 the Group has committed to future cash flows as a result of the derivatives in place which are due even if gas is delayed.

Forecast cashflows place reliance on there not being a suspension of gas production for an unforeseen significant period. Current production levels are in excess of derivative requirements. There are no present operational concerns and whilst there are mitigating steps that could be taken, the contracted derivative will need to be settled at a fixed point in time. In the event of any significant production delays or continued covenant breaches, this would be subject to negotiation with Trafigura or further funding may be required.

Based on the current management plan, management considered that the working capital from the expected revenue generation, along with the funds made available from the recently announced Trafigura refinancing, are sufficient for the expenditure to date as well as the planned forecast expenditure for the forthcoming twelve months from the date of the approval of this financial statement. As a result of that review the Directors consider that it is appropriate to adopt the going concern basis preparation, notwithstanding the material uncertainty relating to the continued production of gas as outlined above. The Director has assessed the company's ability to continue as a going concern and has reasonable expectation that the company has adequate resources to continue operations for a period of at least 12 months from the date of approval of these financial statements.

These financial statements do not include any adjustment that would be required if the Group or Company was not a going concern.

Events after the reporting period

Events after the reporting period have been disclosed in Note 27.

Disclosure of Information to the Auditor

In the case of each person who was a Director at the time this report was approved:

- so far as the Director was aware there was no relevant audit information of which the Company's auditor was unaware; and
- the Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor was aware of that information.

Auditor

A resolution to reappoint the auditor, Crowe U.K. LLP, will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

Richard Herbert
Chief Executive Officer
5 March 2025

Opinion

We have audited the financial statements of Angus Energy plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 September 2024, which comprise:

- the Consolidated statement of comprehensive income for the year ended 30 September 2024;
- the Consolidated and Parent Company statements of financial position as at 30 September 2024;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is in accordance with UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3.3 in the financial statements, which identifies that the Group and Parent Company are reliant on the ability to generate working capital from their producing assets in order to meet their obligations under the Group's derivative agreements. As stated in note 3.3, these events or conditions, along with the other matters as set forth in note 3.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements. We have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's detail cash flow analysis for the Group and parent company for a period of more than 12 months from the date of approval of the financial statements.
- Checking the numerical accuracy of management's detail cash flow analysis
- Challenging management on the assumptions underlying those detail cash flow analysis and sensitised them to reduce anticipated net cash inflows from future trading activities.
- Obtained the latest management results post year end 30 September 2024 to review how the Group and parent company are trending toward achieving the forecast.
- Performed sensitivity analysis on key inputs of the forecast by calculating the impact of various scenarios and considering the impact on the group and parent Company's ability to continue as a going concern in the event that a downward scenario occurs.
- Reviewed post year end production levels against budgeted amounts.
- Assessing the completeness and accuracy of the matters described in the going concern disclosure within the accounting policies as set out in Note 3.3.

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality is £1,000,000 (2023: £2,739,000) which is based on approximately 2.5% of Group net assets (2023: based on 2% of the derivative's fair value movement of £136.9m). In 2023, a Specific materiality for the Group financial statements other than the derivative was determined to be £917,000 based on 3% of Group net assets excluding the derivative balance. The parent company overall materiality is set at £500,000 based on a percentage of total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £700,000 (2023: £512,000) for the group and £350,000 (2023: £55,000) for the parent company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £50,000 (2023: £46,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our Group audit scope included full scope audits of the three Group companies which account for 100% of the Group's net assets and loss before tax by the Group audit team.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We set out below, together with the material uncertainty related to going concern above, those matters we identified as key audit matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	*How the scope of our audit addressed the key audit matter*
Carrying value of oil & gas production assets (note 10) At 30 September 2024, the carrying value of oil & gas production assets was £70.9 million (2023: £80.2 million). Management performed a review for indications of impairment to its producing assets as of 30 September 2024 and identified impairment indicators. They then assessed the recoverable amount of the Saltfleetby, Brockham and Lidsey assets. Impairment of £4.8m was recognised for the Brockham asset (the Lidsey asset having been fully impaired in the prior year). The directors' consideration of the impairment indicators requires them to make certain estimates and judgements. These matters are considered to make this a key audit matter.	We evaluated management's assessment of indicators of impairment and recoverability assessment for the Group's oil & gas production assets. We have: • assessed the design and implementation of controls over management's assessment of impairment. • tested price and discount rate assumptions by comparing forecast oil and gas price assumptions to the latest market evidence available. We involved our Valuations specialists in challenging the discount rate applied by management; • tested the expected production profiles by comparing to recent production levels and to those included in the Competent Person's Reports. • tested the mathematical accuracy of the forecast cash flows and the assumptions used within the cash flow projection model. • assessed the quality of management's previous budgets and forecasts by comparing them to actual performance. • Reviewed the disclosures in the Financial Statements, including the appropriateness of key judgements and sensitivities regarding asset carrying values and impairment; and • We considered the adequacy of the disclosure to the financial statements.
Carrying value of exploration and evaluation (E&E) assets (note 11) At 30 September 2024, the carrying value of exploration and evaluation assets was £5.5 million (2023: £5.6 million).	We performed the following procedures as part of our audit of management's assessment of the carrying value of exploration and evaluation assets: • We assessed the design and implementation of controls over the impairment assessment process. • We obtained a copy of the Balcombe license and performed procedures to confirm the Group's control of the license, and that it remains valid. • We made specific enquiries of the directors and key staff

The assets relate to the Balcombe site, which is still in the exploration and evaluation phase as technical and economic feasibility have yet to be established. At each reporting date, the directors are required to assess whether there are any indicators of impairment, that would require an impairment assessment to be carried out. The directors concluded there were no indicators of impairment. The directors' consideration of the impairment indicators requires them to make certain judgements and may include certain estimates. These matters are considered to make this a key audit matter.	• We made specific enquiries of the directors and key staff involved in the exploration work, and assessed planned works to support the Group continuing with further exploration work • We considered other matters detailed within IFRS 6 that may give rise to an indication of impairment. • We reviewed the adequacy of disclosures in the financial statements in relation to the impairment consideration.
Carrying value of derivative financial instrument (note 4 and note 22) At 30 September 2024, the carrying value of the gas swap derivative financial instrument was £10.9 million (2023: £21.7 million), recorded in liabilities. The valuation of this instrument is subjective and variations in this value would have a material impact on the income statement and the statement of financial position.	We performed the following procedures as part of our audit of management's assessment of the carrying value of the derivative financial instrument: • We obtained copies of the contracts between the Group and the provider of the Gas Swap arrangements. • We obtained the Independent pricing curve data (I.C.I.S Heren) as at 30 September 2024. • We recalculated management's assessment of the valuation of the derivative as at 30 September 2024 benchmarked to the I.C.I.S Heren curve. • We compared the valuation per accounting records to the year-end valuation provided by the issuer of the instrument. • We discussed the process of valuation with management to establish whether there had been any changes in methodology from the prior year.
Carrying value of parent company investment in subsidiaries (note 5 to parent company accounts) At 30 September 2024, the parent company has investment in its subsidiaries of £47.2m (2023: £56.5m). Management are required to consider indications of impairment to the investments. Where indicators of impairment are identified, an impairment assessment should be performed, which requires management to make a number of judgements and estimates. Management identified indications of impairment as of 30 September 2024. Management then performed an impairment assessment, the results of which did not identify any impairment in relation to the investment in subsidiaries.	We performed audit procedures including the following in relation to management's assessment: • The key considerations included the recoverable amount of the oil and gas assets, together with the other assets and liabilities held, and the market capitalisation of the parent company. • In assessing whether impairment was required, our work was substantially the same as described in the impairment consideration for oil and gas assets above, as the recoverability of the investment values is closely linked to these assets.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

- In our opinion based on the work undertaken in the course of our audit the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and;
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below however the primary responsibility for the prevention and detection of fraud lies with management and those charged with governance of the Company.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the procedures in place for ensuring compliance. Based on our understanding of the Company and industry, discussions with those charged with governance we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the Financial Statements. Our work included direct enquiry of those charged with governance, reviewing Board and relevant committee minutes and inspection of correspondence.

As part of our audit planning process, we assessed the different areas of the Financial Statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas involving significant estimate or judgement. Based on this assessment we designed audit procedures to focus on key areas of estimate or judgement, this included specific testing of journal transactions, both at the year end and throughout the year.

We identified the significant laws and regulations of the UK to be those relating to the industry including, Oil & Gas Regulations, the financial reporting framework, tax legislation and the AIM listing rules. The Company is subject to laws and regulations where the consequence of non-compliance could have a material impact on the amount or disclosures in the financial statements, through the imposition of fines or litigations. These laws and regulations include those relating to health and safety, licensing and the environment.

Our audit procedures included:

- enquiry of directors about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance including fraud discussions with directors to consider any known or suspected instances of non-compliance with laws and regulations identified by them
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. The most significant identified were the Companies Act 2006 and the terms of the Group's licence. Our work included direct enquiry of the Company Secretary who oversees all legal proceedings, reviewing Board and relevant committee minutes and inspection of correspondence. We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the Financial Statements
  - We used data analytic techniques to identify any unusual transactions or unexpected relationships, including considering the risk of undisclosed related party transactions; and
  - Reviewing accounting estimates for biases and financial statement disclosures and agreeing to surround information.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Leo Malkin
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London EC4M 7JW

Date: 5 March 2025

	Note	2024 £'000	2023 £'000
Revenue	5	21,802	28,208
Cost of sales		(7,334)	(6,923)
Depletion cost		(8,732)	(8,491)
Gross profit		5,736	12,794
Administrative expenses		(3,253)	(2,906)
Impairment charge	10	(4,770)	(3,717)
Share based payment	16	(410)	(1,377)
Operating (loss)/profit		**(2,697)**	**4,794**
Derivative financial instrument profit	22	10,822	136,966
Realised Derivative cost	22	(8,322)	(19,963)
Finance cost	7	(4,104)	(3,987)
(Loss)/profit before taxation		(4,301)	117,810
Taxation	9	-	-
(Loss)/profit for the year		**(4,301)**	**117,810**
Total comprehensive loss for the year		**(4,301)**	**117,810**
(Loss)/profit for the year attributable to:			
Owners of the parent company		(4,301)	117,810
Total comprehensive profit attributable to:			
Owners of the parent company		(4,301)	117,810
		(4,301)	117,810
(Loss)/earnings per share ((LPS)/EPS) attributable to owners of the parent:	18		
Basic (LPS)/EPS (in pence)		(0.10)	3.48
Diluted (LPS)/EPS (in pence)		(0.10)	2.91

The notes on page 47 to 74 of the annual report form part of these financial statements

The notes on page 47 to 74 of the annual report form part of these financial statements

All amounts are derived from continuing operations.

	Note	2024 £'000	2023 £'000
ASSETS			
Non-current assets			
Property, plant and equipment		6	17
Exploration and evaluation assets	**11**	5,456	5,628
Oil & gas production assets	**10**	70,951	80,248
Lease assets		5	25
Total non-current assets		76,418	85,918
Current assets			
Trade and other receivables	**14**	3,374	2,976
AFS financial investments	**13**	5	11
Lease assets		1	1
Cash and cash equivalents		2,163	2,172
Total current assets		5,543	5,160
TOTAL ASSETS		**81,961**	**91,078**
EQUITY			
Equity attributable to owners of the parent:			
Share capital	**15**	8,844	7,254
Share premium	**15**	48,412	45,500
Merger reserve	**17**	(200)	(200)
Accumulated loss		(18,368)	(15,295)
TOTAL EQUITY		**38,688**	**37,259**
Current liabilities			
Trade and other payables	**19**	8,315	10,270
Loans payable - current	**21**	3,380	13,829
Derivatives liability	**22**	10,702	12,827
Total current liabilities		**22,397**	**36,926**
Non-current Liabilities			
Provisions	**20**	5,698	4,970
Trade and other payables	**19**	-	23
Loan payable - non-current	**21**	14,988	3,013
Derivatives liability	**22**	190	8,887
Total non-current liabilities		**20,876**	**16,893**
TOTAL LIABILITIES		**43,273**	**53,819**
TOTAL EQUITY AND LIABILITIES		**81,961**	**91,078**

The notes on page 47 to 74 of the annual report form part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 5 March 2025 and were signed on its behalf by:

Richard Herbert - Director

Company number: 09616076

	Share capital £'000	Share premium £'000	Merger reserve £'000	Loan Note reserves £'000	Accumulated loss £'000	Total equity £'000
Balance at 30 September 2022	**5,529**	**38,708**	**(200)**	**106**	**(138,599)**	**(94,456)**
Profit for the year	-	-	-	-	117,810	117,810
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**117,810**	**117,810**

Transaction with owners						
Issue of shares	1,725	10,297	-	(106)	-	11,916
Less: issuance costs	-	(3,477)	-	-	-	(3,477)
Grant of share options	-	-	-	-	1,377	1,377
Grant of Warrant as fund raise and finance costs	-	(28)	-	-	4,117	4,089
Balance at 30 September 2023	**7,254**	**45,500**	**(200)**	**-**	**(15,295)**	**37,259**
Loss for the year	-	-	-	-	(4,301)	(4,301)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(4,301)**	**(4,301)**
Transaction with owners						
Issue of shares	1,590	2,919	-	-	-	4,509
Less: issuance costs	-	(7)	-	-	-	(7)
Grant of share options	-	-	-	-	410	410
Grant of Warrant as finance costs	-	-	-	-	818	818
Balance at 30 September 2024	**8,844**	**48,412**	**(200)**	**-**	**(18,368)**	**38,688**

The notes on page 47 to 74 of the annual report form part of these financial statements

	Year ended 30 September 2024 £'000	**Year ended 30 September 2023 £'000**
Cash flow from operating activities		
(Loss)/profit for the year before taxation	(4,301)	117,810
Adjustment for:		
Derivative financial instrument profit	(10,822)	(136,966)
Share option charge	410	1,377
Grant of Warrants as finance costs	818	1,663
Interest payable	3,284	2,315
Depletion charge	8,732	8,491
Impairment of Oil & Gas Production asset	4,770	3,717
Lease amortization charges	-	55
Write-off Inventory	-	3
Write off of property, plant and equipment	5	-
Write off of Exploration and Evaluation assets	192	-
Depreciation on Right-of-use assets	20	-
Lease interest expense	2	-
Investment revaluation	6	9
Depreciation of owned assets	6	10
Cash generated from/(used in) operating activities before changes in working capital	**3,122**	**(1,516)**
Change in trade and other receivables	(398)	1,131
Change in other payables and accruals	402	1,629
Cash used in operating activities before tax	3,126	1,244
Income tax paid	-	-
Net cash flow generated from operations	**3,126**	**1,244**
Cash flow from investing activities		
Payment of deferred consideration	(2,357)	(490)
Acquisition of exploration and evaluation assets	(18)	(52)
Acquisition of oil and gas production assets	(3,479)	(11,067)
Net cash flow used in investing activities	**(5,854)**	**(11,609)**
Cash flow from financing activities		
Repayment of loan facility	(8,872)	(4,337)
Drawdown of loans, net of transaction costs	14,885	9,000
Transaction cost on loan issue	(548)	-
Lease principal repayment	(22)	(47)
Interest paid on lease liability	(2)	-
Proceeds from the issuance of shares	-	8,518
Interest paid	(2,722)	(1,344)
Net cash flow generated from financing activities	**2,719**	**11,790**
Net (decrease)/increase in cash & cash equivalents	(9)	1,425
Cash and cash equivalent at beginning of year	2,172	747
Cash and cash equivalent at end of year	**2,163**	**2,172**

The notes on page 47 to 74 of the annual report form part of these financial statements

1. General information

Angus Energy Plc (the "Company") is incorporated and domiciled in the United Kingdom. The address of the registered office is Building 3 Chiswick Park, 566 Chiswick High Road, London, W4 5YA.

The principal activity of the Company is that of investment holding. The principal activity of the Group is that of oil and gas extraction for distribution to third parties. The principal activities of the various operating subsidiaries are disclosed in note 12.

2. Presentation of financial statements

The financial statements have been presented in Pounds Sterling (£) as this is the currency of the primary economic environment that the group operates in. The amount is rounded to the nearest thousand (£'000), unless otherwise stated.

3. Accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below.

3.1 Basis of preparation

These financial statements have been prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for certain assets and liabilities which are stated at their fair value.

3.2 New standards, amendments to and interpretations to published standards not yet effect

The Directors have considered those standards and interpretations, which have not been applied in the financial statements but are relevant to the Group's operations, that are in issue but not yet effective and do not consider that they will have a material impact on the future results of the Group.

3.3 Going concern

The Group recorded a loss of £4.301m, which included an impairment of £4.770m. EBITDA for the period was £10.803m (2023: £17.002m). The group recorded a derivative profit of £10.822m in relation to the fair value movement of the derivative instrument which is based on future production and calculated using forward gas prices as at 30 September 2024. The derivative will be realised to a profit or loss when the payments under the derivative instruments become due (see note 22).

The Group meets its day to day working capital requirements through existing cash reserves. At 30 September 2024, the Group had £2.163 million of available cash. During the year, the Group raised capital to cover outstanding liabilities of £4.405 million as a result of placing of new ordinary shares. On 27 February 2024, the Company announced that the terms had been agreed with a subsidiary of Trafigura Group PTE Ltd ("Trafigura ") for a refinancing of its existing debt. The Company signed definitive loan documentation and drew down the full £20m available under the facility (see note 21 for further details), with the funds used to pay down existing debt, stabilise the Company's creditor position and provide the short and medium-term capex needs to advance key programmes at Saltfleetby and Brockham Fields.

The Directors continue to take the prudent decisions to preserve working capital. The Directors have assessed the Group's working capital forecasts for a minimum of 12 months from the date of the approval of these financial statements. In undertaking this assessment, the Directors have reviewed the underlying business risks, and the potential implications these risks would have on the Group's liquidity and its business model over the assessment period. This assessment included a detailed cash flow analysis business model over the assessment period. This assessment included a detailed cash flow analysis prepared by the management, and they also considered several reasonably plausible downside scenarios. The scenarios included potential delays to expected future revenues. In making their overall assessment, the Directors took into account the performance of the Saltfleetby gas field, the introduction of a third compressor (booster compressor) to increase production in the short term and extend field life. The Directors also assessed the impact of any breaches under the Trafigura Debt Facility and the derivative instrument if there were delays in gas production. As outlined in note 22 the Group has committed to future cash flows as a result of the derivatives in place which are due even if gas is delayed.

Forecast cashflows place reliance on there not being a suspension of gas production for an unforeseen significant period. Current production levels are in excess of derivative requirements and there are no present operational concerns. Contracted derivatives will need to be settled at fixed points in time. In the event of any significant production delays or ongoing breaches under the Trafigura Facility, this would be subject to negotiation with Trafigura or further funding may be required.

Based on the Company's current plan, management considered that the working capital from available cash and the expected revenue generation are sufficient for the expenditure to date as well as the planned forecast expenditure for the forthcoming twelve months from the date of the approval of this financial statement. As a result of that review the Directors consider that it is appropriate to adopt the going concern basis of preparation, notwithstanding the material uncertainty relating to the continued production of gas as outlined above. The Directors have assessed the company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue operations for a period of at least 12 months from the date of approval of these financial statements.

These financial statements do not include any adjustment that would be required if the Group or Company was not a going concern.

3.4 Basis of consolidation

The consolidated financial statements comprise the financial information of the Company and its subsidiaries (the "Group") made up to the end of the reporting period. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements present the results of the Company and its subsidiaries and joint arrangements as if they formed a single entity. Inter-company transactions and balances between group companies are therefore eliminated in full. The financial information of subsidiaries is included in the Group's financial statements from the date that control commences until the date that control ceases.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full, on consolidation.

3.5 Oil and natural gas exploration and evaluation (E&E) expenditure

Oil and natural gas exploration and evaluation expenditure are accounted for by using the successful efforts method of accounting.

(a) Licence and property acquisition costs

Licence and property leasehold acquisition costs are capitalised within intangible fixed assets and amortised on a straight-line basis over the estimated period of exploration. Upon determination of economically recoverable reserves, amortisation the remaining costs are aggregated with exploration expenditure and held on a field-by-field basis as proved properties awaiting determination within intangible fixed assets. When development is sanctioned, the relevant expenditure is transferred to tangible production assets.

(b) Exploration expenditure

Geological and geophysical exploration costs are charged against income as incurred. Costs directly associated with an exploration well are capitalised as an intangible asset until drilling of the well is complete and the results have been evaluated. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found, and subject to further appraisal activity, are likely to be capable of commercial development, the costs continue to be carried as an asset. All such carried costs are subject to regular technical and commercial management review to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. When proven and probable reserves of oil and gas are determined and development is sanctioned, the relevant expenditure is transferred to tangible production assets.

(c) Development expenditure

Expenditure on the construction, installation and completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within tangible production assets.

(d) Maintenance expenditure

Expenditure on major maintenance, refits or repairs is capitalised where it enhances the performance of an asset above its originally assessed standard of performance; replaces an asset or part of an asset which was separately depreciated, and which is then written off; or restores the economic benefits of an asset which has been fully depreciated. All other maintenance expenditure is charged to income as incurred.

Treatment of E&E assets at conclusion of appraisal activities

Intangible E&E assets related to each exploration licence/prospect are carried forward, until the existence (or otherwise) of commercial reserves has been determined. If commercial reserves have been discovered, the related E&E assets are assessed for impairment on a cost pool basis as set out below, and any impairment loss of the relevant E&E assets is then reclassified as development and production assets.

3.6 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Loan and receivables

Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Trade receivables are recognised initially at the transaction price and subsequently measured at amortised cost, less any impairment losses.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Borrowing cost

Borrowing costs that are directly attributable to the acquisition, development, or production of a qualifying asset, that necessarily takes substantial time to prepare, are capitalised as part of the cost the respective asset. It consists of interest and other costs in connection with the borrowing of the funds. Capitalisation commences when activities to prepare the asset are in progress or in future re-development activities and ceases when all activities necessary to prepare the asset are completed. Other borrowing costs are recognised in the statement of profit and loss and other comprehensive income in the period in which they are incurred.

Derivative financial instrument

The group uses derivative financial instruments to hedge its commodity price risk, such as commodity swap contracts. The Group has elected not to apply hedge accounting on this derivative. Derivative financial instruments are recognised at fair value on the date on which the contract is entered into and subsequently measured at fair value. Derivatives are carried as a financial asset when the fair value is greater than its initial measurement and financial liabilities when fair value is negative. Any gains or losses arising from the changes in fair value of the derivatives are recognised in the statement of Comprehensive Income as a profit or loss for the year.
As at 30 September 2024, the Group's derivative liability amounted to £10.892 million as a result of the hedging agreement entered into with Trafigura Group PTE Ltd under a Swap Contract (see Note 22)

In determining the fair values of the financial asset and liabilities, instruments are analysed into Level 1 to 3 as follows:

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active market for identical assets or liabilities.
Level 2: Fair value measurement derives from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data.
The carrying value of the financial instrument approximates their fair value and was valued using Level 2 fair value hierarchy valuation.

3.7 Impairment of assets

(a) Financial assets

Impairment provisions for current receivables are recognised based on the simplified approach within IFRS 9. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administration costs in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those for which credit risk has increased significantly, lifetime expected credit losses are recognised, unless further information becomes available contrary to the increased credit risk. For those that are determined to be permanently credit impaired, lifetime expected credit losses are recognised.

(b) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For assets that have indefinite lives, the recoverable amount is estimated at each reporting date.
The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

3.8 Oil and gas production assets

Expenditures related to the construction, installation or completion of infrastructure facilities, such as platforms and pipelines, and the drilling of development wells, including delineation wells, are capitalised within oil and gas production assets. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the abandonment cost for qualifying assets, and borrowing costs (see note 3.13 on decommissioning).

Oil and gas production assets are depreciated using a unit of production method. The cost of producing wells is amortised over total proved and undeveloped oil and gas reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved developed and undeveloped reserves of the relevant area. The unit-of-production rate calculation for the depreciation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

The consideration receivable on disposal of an item of property, plant and equipment or an intangible asset is recognised initially at its fair value by the Group. However, if payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue. Any part of the consideration that is receivable in the form of cash is treated as a financial asset and is accounted for at amortised cost.

3.9 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

The Company and its subsidiaries are, from time-to-time, parties to legal proceedings and claims which arise in the ordinary course of business. The Directors do not anticipate that the outcome of these proceedings and claims will have a material adverse effect on the Group's financial position or on the results of its operations.

3.10 Cash and Cash Equivalent

Cash in the statement of financial position is cash held on call with banks.

3.11 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the comprehensive income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Group and its subsidiaries operate by the end of the financial period.

Deferred income taxes are calculated using the balance sheet method. Deferred tax is generally provided on the temporary differences between the carrying amounts of assets and liabilities and their tax bases the temporary difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit or at the time of the transaction, it does not give rise to equal taxable and deductible temporary differences. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period it is recognised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Consolidated Statement of Comprehensive Income, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

3.12 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are recognised in profit or loss.

3.13 Decommissioning

Provision for decommissioning is recognised in full on the installation of oil and gas production facilities. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of the production and transportation facilities. Any change in the present value of the estimated expenditure is reflected in an adjustment to the provision and fixed assets.

3.14 Revenue

As described in note 5, the Group's revenue is driven by the sale of natural gas, condensate and crude oil, the goods are sold on their own in separate identified contracts with customers. The gas sales agreement has a fixed discount to the ICIS Heren NBP price, the oil offtake agreement has a fixed discount to the Brent forward curve while the condensate offtake agreement has a fixed discount to the Naphtha forward curve. Delivery point of the sale is the point at which the natural gas passes from the Company's pipeline to the national grid or when crude oil passes from the delivery tanker to the customers specified storage terminal, which represents the point at which the Group fulfils its single performance obligation to its customer under contracts for the sale of natural gas or crude oil. Revenue from the production of oil and gas, in which the Group has an interest with other producers is recognised proportionately based on the Group's working interest and the terms of the relevant production sharing contracts.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

3.15 Share-based payments

The Group has applied IFRS 2 Share-based Payment for all grants of equity instruments.

The Group issues equity-settled share-based payments to its employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate. The inputs to the model include: the share price at the date of grant, exercise price expected volatility, risk free rate of interest.

4. Critical accounting estimates and sources of estimation uncertainty

In applying the accounting policies, the directors may at times require to make critical accounting judgements and estimates about the carrying amount of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the directors consider are relevant.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are reviewed are as stated below.

Key accounting judgements

(a) Impairment of non-current asset

The Group's non-current assets represent its most significant assets, comprising oil and gas production assets, exploration and evaluation (E&E) assets on its onshore sites.

Management is required to assess exploration and evaluation (E&E) assets for indicators of impairment and has considered the economic value of individual E&E assets. The carrying amount of the E&E assets are subject to a separate review for indicators of impairment, by reference to the impairment indicators set out in IFRS 6, which is inherently judgmental.

Processing operations are large, scarce assets requiring significant technical and financial resources to operate. Their value may be sensitive to a range of characteristics unique to each asset and key sources of estimation uncertainty include proved reserve estimates, future cash flow expected to arise from the cash-generating unit and a suitable discount rate.

In performing impairment reviews, the Group assesses the recoverable amount of its operating assets principally with reference to the Group's independent competent person's report, estimates of future oil and gas prices, operating costs, capital expenditure necessary to extract those reserves and the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable value.

As detailed in notes 10 and 11, the carrying amount of the Group's E&E assets and oil and gas production assets at 30 September 2024 were approximately £70.951 (2023: £80.248 million) and £5.456 million (2023: £5.628 million) respectively.

The methods, key assumptions, sensitivity and possible outcomes in relation to the calculation of the estimates are detailed in note 10.

(b) Going concern

Forecast cashflows place reliance on there not being a suspension of gas production for an unforeseen significant period. Current production levels are in excess of derivative requirements. There are no present operational concerns and whilst there are mitigating steps that could be taken, the contracted derivative will need to be settled at a fixed point in time. In the event of any significant delay this would be subject to further negotiation with the derivative holder or further funding may be required.

As disclosed in note 3.3, the directors consider the Group and the Company to be a going concern while the Group will continue to operate under the management's plan and the Group expects to be able to continue to meet all finance obligations as they fall due for at least next twelve months from the date of approval these financial statements.

Key accounting estimates

(a) Decommissioning costs

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain, and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure may also change - for example, in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

External valuers may be used to assist with the assessment of future decommissioning costs. The involvement of external valuers is determined on a case-by-case basis, taking into account factors such as the expected gross cost and timing of abandonment, and is approved by the directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

As detailed in note 20, the provision at the reporting date represents management's best estimate of the present value of the future decommissioning costs required.

(b) Valuation of derivative liability

On 01 June 2021, Angus Energy Weald Basin no. 3 Limited (AWB3) entered into a derivative agreement with Mercuria Energy Trading SA (METS) under a Swap contract as part of the condition of the Loan Facility (see note 21). The derivative instrument was used to mitigate price risk on the expected future cash flow from the production of Saltfleetby Gas Field. Under the Swap contract, AWB3 will pay METS the floating price while METS will pay AWB3 the fixed price on the sale of gas from the field.

After the refinancing with Trafigura, the existing Mercuria hedges were novated and restructured with Trafigura, incurring a credit charge of 6 pence per therm.

The carrying value of the financial instrument approximates their fair value and was valued using Level 2 fair value hierarchy valuation. The fair value has been determined with reference to commodity yield curves, as adjusted for liquidity and trading volumes as at the reporting date supplied by the Group's hedging partner, Trafigura. Management also assessed the valuation of these swaps using publicly available forward pricing curves.

5. Revenue and segment information

Currently, the Group's principal revenue is derived from the sale of natural gas and oil. All revenue arose from continuing operations within the United Kingdom. Therefore, management considers no detail of operating and geographical segments information is to be reported. Nonetheless, the Group's revenue can be classified into the following streams:

	2024 £'000	2023 £'000
Sale of oil	1,721	1,372
Sale of natural gas	20,081	26,836
	21,802	28,208

All the non-current assets of the Group are located in the United Kingdom. All revenue arising from the sale of natural gas is derived from sales to Trafigura and represents over 92% of the Company's revenue.

6. Operating profit

Operating profit is stated after charging:

	2024	2023

	2024 £'000	2023 £'000
Depreciation of owned assets	6	10
Employee benefit expense	2,177	1,620
Auditor's remuneration		
Fees payable to the company's auditor in respect to the audit of the Parent Company and consolidated financial statements	73	70
	73	70

Adjusted operating loss

The adjusted operating loss has been arrived at after crediting:

	2024 £'000	2023 £'000
(Loss)/profit after tax	(4,301)	117,810
Derivative financial instrument profit	(10,822)	(136,966)
Adjusted loss after tax	**(15,123)**	**(19,156)**

7. **Finance cost**

	2024 £'000	2023 £'000
Loss on revaluation of AFS investment	6	9
Other finance costs	1,376	1,766
Loan interest expense	2,722	2,212
	4,104	3,987

8. **Employee benefit expense**

	2024 £'000	2023 £'000
Wages and salaries excluding directors salary	1,895	1,426
Social security costs excluding directors NI	282	194
	2,177	1,620

In addition to the above, directors remuneration from the group totalled £609,000 which comprised £574,000 salaries and £35,000 termination payment (2023: £1,188,000 salaries).

Key management are considered to be the directors. Details of each director's emoluments are in the directors' remuneration report.

	2024 Number	2023 Number
The average number of employees during the year was:		
Director	4	5
Management	12	9
Operators	11	14
	27	28

9. **Taxation on ordinary activities**

No liability to corporation tax arose for the years ended 30 September 2024 and 2023, as a result of underlying losses brought forward.

Reconciliation of effective tax rate

	2024 £'000	2023 £'000
(Loss) / Gain before tax	(4,301)	117,810
UK Ring Fenced Corporation Tax rate of 40% (2023:		

40%)	(1,720)	47,124
Expenses not deductible for tax purposes	6,803	5,438
Unrecognised deferred tax	(5,083)	(52,562)
	-	-

The Group has incurred indefinitely available tax losses of £166.4m (2023: £179.1m), which includes tax loss incurred on the acquisition of Saltfleetby Energy Limited, to carry forward against future taxable income of the subsidiaries in which the losses arose and they cannot be used to offset taxable profits elsewhere in the Group.

10. Oil and gas production assets

	Total £'000
Cost or valuation	
At 1 October 2022	82,288
Additions	11,067
Increase abandonment provision	597
At 30 September 2023	93,952
Additions	3,479
Increase abandonment provision	726
At 30 September 2024	98,157
Depreciation and impairment	
At 1 October 2022	1,496
Impairment of asset	3,717
Charge for the year	8,491
At 30 September 2023	13,704
Impairment of asset	4,770
Charge for the year	8,732
At 30 September 2024	27,206
Net book value	
At 30 September 2023	80,248
At 30 September 2024	**70,951**

As at 30 September 2024, the Group retained a 100% interest in the Saltfleetby Gas Field, an 80% interest in the Lidsey Oil Field, an 80% interest in the Brockham Oil Field and is still the operator of all the fields.

In assessing whether an impairment is required, the carrying value of the asset or cash generating unit ("CGU") is compared with its recoverable amount. The recoverable amount is determined from value in use calculations based on cash flow projections from revenue and expenditure forecasts covering the economic life of the field. Assumptions involved in impairment measurement include estimates of commercial reserves and production volumes, future crude oil and gas prices, discount rates and the level and timing of expenditures, all of which are inherently uncertain. The key assumptions used are as follow:

	2024	2023
Discount rate (post-tax)	**10%**	11%
Natural gas price (per Therm)	**£0.86**	£1.13
Crude oil price (per barrels)	**83**	34

The growth rate is assumed to be zero and the level of production is constant on the basis the production plant is assumed to be at the most efficient capacity over the period of extraction.

Commercial reserves are proven and probable ("2P") oil and gas reserves, calculated on an entitlement basis. Estimates of commercial reserves underpin the calculation of depletion and amortisation on a Unit of Production ("UOP") basis. Estimates of commercial reserves include estimates of the amount of oil and gas in place, assumptions about reservoir performance over the life of the field and assumptions about commercial factors which, in turn, will be affected by the future oil and gas price.

Annual estimates of oil and gas reserves are generated internally by the Group with external input from operator profiles and/or a Competent Person. These are reported annually to the Board. The self-certified estimated future production profiles are used in the life of the fields which in turn are used as a basis in the value-in-use calculation.

The discount rate is based on the specific circumstances of the Group and its operating segment, with appropriate adjustments made to reflect the risks specific to the CGU and to determine the pre-tax rate. In considering the discount rates applying to the CGU, the directors have considered the relative sizes, risks and the inter-dependencies of its CGU. An increase of 6% to the discount rate used for the Saltfleetby Gas Field would lead to an increased impairment to the carrying value of the CGU and an increase of 4% to the discount rate used for the Brockham Oil Field would lead to an increased impairment of £100,000 to the carrying value of the CGU.

In performing the impairment review, management assessed the economic value of individual production assets. Following the analysis in which management considered the lower than expected production rates of BRX4Z following the workover performed in May 2024, an impairment charge of £4.770m was recorded for Brockham Oil Field.

Furthermore, a sensitivity analysis has been carried out for Saltfleetby gas field and Brockham oil field and the results of the analysis can be summarised as follows:

- The estimated natural gas price would need to fall by circa 10 percentage points lower than the basis assumption before an impairment of the Saltfleetby gas field would need to be considered.
- The estimated brent crude price would need to fall by circa 4 percentage points lower than the base assumption for Brockham before an increased impairment of £100,000 to the respective oil field would need to be considered.

11. Exploration and evaluation assets

	Total £'000
Cost or valuation	
At 1 October 2022	5,572
Additions	52
Increase abandonment provision	4
At 1 October 2023	5,628
Additions	18
Increase abandonment provision	2
Disposal	(192)
At 30 September 2024	5,456

In performing impairment review, the Group assessed the economic value of individual exploration and evaluation (E&E) assets and had considered no indication of impairment to these E&E assets. In respect of Balcombe, the Directors have considered the likelihood of a successful appeal. Should the appeal be unsuccessful the management will consider further legal options and assess whether an impairment is necessary. See Strategic Review on page 6 of the annual report.

12. Subsidiaries

The details of the subsidiaries are as follows:

Name of subsidiary/ place of incorporation	Principal activity
Angus Energy Holdings UK Limited	Investment holding company
Angus Energy Weald Basin No.1 Limited	Investment holding company
Angus Energy Weald Basin No.2 Limited	Investment holding company
Angus Energy Weald Basin No.3 Limited*	Oil extraction for distribution to third parties
Angus Energy North America Limited	Dormant company
Saltfleetby Energy Limited	Natural Gas Extraction

* indirect wholly owned by Angus Energy Weald Basin No.2 Limited (AEWB2).

The registered office address of the respective entity as follow:

Registered address	Name of subsidiary
Building 3 Chiswick Park, 566 Chiswick High Road, London, W4 5YA.	Angus Energy Weald Basin No.2 Limited Angus Energy North America Limited Saltfleetby Energy Limited
5 South Charlotte Street, Edinburgh, Scotland, EH2 4AN	Angus Energy Holdings UK Limited Angus Energy Weald Basin No.1 Limited Angus Energy Weald Basin No.3 Limited

13. Available for sale financial investments

	2024 £'000	2023 £'000
At 1 October	11	20
Loss on revaluation for the year	(6)	(9)
At 30 September	5	11

Financial investments are shares held in Alba Mineral Resources Plc (Alba) consisting of 12,407,910 shares.

The changes in the value of these investments have been determined directly by reference to the published price quoted on AIM at the reporting date.

14. Trade and other receivables

	2024 £'000	2023 £'000
Current		
Accrued sales income	1,801	2,121
Amounts due from customers/farmees	285	195
Rent deposit	150	130
VAT recoverable	610	196
Other receivables	528	334
TOTAL	3,374	2,976

The carrying amount of trade and other receivables approximates to their fair value.

	2024 £'000	2023 £'000
Trade and other receivables	3,374	3,080
Less: Impairment allowance	-	(104)
	3,374	2,976

15. Share capital and Share Premium

Allotted, called up and fully paid:

Ordinary share of £0.002 each	Issue price In pence	Number of shares	Ordinary share capital £'000	Share premium £'000
At 30 September 2022		**2,764,264,264**	**5,529**	**38,708**
Issue of shares 14 October 2022	1.0989	127,400,127	255	1,145
Issue of shares 28 October 2022	1.0989	10,193,759	20	92
Issue of shares 2 November 2022	1.0989	36,599,864	73	329
Issue of shares 21 November 2022	1.35	156,000	0.5	2
Issue of shares 21 November 2022	1.5	156,000	0.5	2
Issue of shares 8 December 2022	1.2	250,000	0.5	3
Issue of shares 8 December 2022	1.35	125,000	0.25	1
Issue of shares 8 December 2022	1.5	125,000	0.25	1
Issue of shares 19 December 2022	1.65	341,219,000	682	4,940
Issue of shares 20 January 2023	1.65	89,781,000	180	1,302
Issue of shares 20 January 2023	1.65	60,606,061	122	879
Issue of shares 25 January 2023	1.2	806,452	2	8
Issue of shares 25 January 2023	1.35	403,226	0.5	5
Issue of shares 25 January 2023	1.5	403,226	0.5	5
Issue of shares 5 February 2023	1.2	1,612,903	3	16
Issue of shares 4 April 2023	1	145,293,100	290	1,162
Issue of shares 6 April 2023	1.3638	10,998,719	22	128
Issue of shares 21 July 2023	0.9534	31,466,331	63	237
Issue of shares 20 September 2023	1	5,000,000	10	40
Less: Issuance of costs		-	-	(3,505)

At 30 September 2023		**3,626,860,032**	**7,254**	**45,500**
Issue of shares 6 November 2023	0.66	516,033,308	1,032	2,374
Issue of shares 7 March 2024	0.4	25,000,000	50	50
Issue of shares 27 March 2024	0.4	226,513,000	453	453
Issue of shares 15 May 2024	0.3544	27,448,470	55	42
Less: Issuance of costs		-	-	(7)
At 30 September 2024		**4,421,854,810**	**8,844**	**48,412**

On 6 November 2023, the company issued 516,033,308 ordinary shares at 0.66 pence per share. They were issued in relation to the Kemexon £3m Bridge Loan facility conversion.

On 7 March 2024, the company issued 25,000,000 ordinary shares at 0.4 pence per share. They were fee shares issued in relation to Trafigura Loan Facility.

On 27 March 2024, the company issued 226,513,000 ordinary shares at 0.4 pence per share. They were fee shares issued in relation to Trafigura Loan Facility.

On 15 May 2024, the company issued 27,448,470 shares at 0.3544 pence per share. They were issued in relation to the agreed ORRI settlement.

16. Share-based payments

In 2016, the Group implemented an Enterprise Management Incentive Scheme followed by a NED and Consultant Share Option Scheme (The Scheme).

At 30 September 2024, the following share options and warrants were outstanding in respect of the Ordinary shares:

Exercise price	**Outstanding as at 01 Oct 2023**	**Granted during the year**	**No. of options forfeited during the year**	**Exercised during the year**	**Outstanding as at 30 September 2024**	**Final expiry dates**
£0.06	15,775,991	-	(2,149,803)	-	13,626,188	13 Nov 2026
£0.09	1,050,000	-	-	-	1,050,000	13 Nov 2026
£0.08	9,400,000	-	(1,000,000)	-	8,400,000	24 Aug 2028
£0.02	20,300,000	-	(3,100,000)	-	17,200,000	15 Jul 2029
£0.015	24,500,000	-	(5,750,000)	-	18,750,000	31 Mar 2031
£0.02	156,500,000	-	(39,000,000)	-	117,500,000	9 October 2026
£0.018	70,000,000	-	-	-	70,000,000	16 April 2033
£0.0067	-	25,000,000	-	-	25,000,000	19 Dec 2034
£0.0067	-	30,000,000	-	-	30,000,000	29 August 2034
£0.0067	-	2,500,000	-	-	2,500,000	29 August 2034
£0.0165	341,633,886	-	-	-	341,633,886	20 June 2026
£0.0165	150,000,000	-	-	-	150,000,000	24 March 2026
£0.015	-	300,000,000	-	-	300,000,000	25 July 2026
Warrant	491,633,886	300,000,000	-	-	791,633,886	
Share options	297,525,991	57,500,000	(50,999,803)	-	304,026,188	

The weighted average exercise price of share options and warrants was £0.01717 at 30 September 2024 (2023: £0.0195). The weighted average remaining contractual life of options and warrants outstanding at the end of the year was 5 years (2023:3 years). The weighted average fair value of share option was £0.0067 (2023: £0.0128) each on the grant date. The vesting criteria for the share options are subject to share price growth reaching the target level.

These fair values were calculated using the Black Scholes warrant pricing model. The inputs into the model were as follows:

			Options	Options	Warrants
Stock price			0.25p	0.48p	0.48p
Exercise price			0.67p	0.67p	0.66p
Risk-free rate			4.75%	4.75%	4.75%
Volatility			99.35%	99.35%	99.35%
Time to maturity			10 years	10 years	3 years

The Group recognised a share-based payment charge of approximately £0.410m (2023: £1.377m) relating to the options issued in the period. The Group recognised finance costs of £0.817m (2023: £1,663) relating to the warrants issued as part of the loan arrangement during the period.

No options were exercised in both reporting year 2023 and 2024. There were 50,999,803 share options cancelled during 2024. There were no Warrants exercised during 2024. There remain 33,426,188 options and 791,633,886 warrants exercisable as at 30 September 2024.

17. Reserves

	2024 £'000	2023 £'000
Merger reserve	(200)	(200)

Merger reserve

The merger reserve arose on the acquisition of Angus Energy Holdings Limited by the Company.

18. (Loss)/Earnings per share ((LPS)/EPS)

Basic LPS/EPS amounts are calculated by dividing the profit or loss for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted LPS/EPS amounts are calculated by dividing the profit or loss for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The earnings per share information based upon the 4,421,854,810 (2023: 3,626,860,032) ordinary shares are as follows:

	2024 £'000	2023 £'000
Net (loss)/profit attributable to equity holders of the parent company	(4,301)	117,810
Weighted average number of basic ordinary shares	4,232,601,890	3,385,813,578
Basic (LPS)/EPS (in pence)	(0.10)	3.48

	2024 £'000	2023 £'000
Net (loss)/profit attributable to equity holders of the parent company	(4,301)	117,810
Weighted average number of diluted ordinary shares	4,232,601,890	4,046,981,983
Diluted (LPS)/EPS (in pence)	(0.10)	2.91

At 30 September 2024 the outstanding options and warrants has an antidilutive effect on the weighted average number of diluted ordinary shares.

19. Trade and other payables

Due within one year	2024 £'000	2023 £'000
Trade payables	3,637	4,249
Deferred consideration on Saltfleetby Energy Limited acquisition	2,887	5,244
Lease liability	18	17
Accruals	857	176
Interest payable - loan	231	315
Other payables	241	269
ORRI	444	-

	2024	2023
	8,315	10,270

Due after more than one year	**2024**	**2023**
	£'000	**£'000**
Lease liabilities	-	23
	-	23

The carrying amount of trade and other payables approximates to their fair value.

On 24 May 2022, the Company executed a share purchase agreement to acquire the entire issued share capital of Saltfleetby Energy Limited from Forum Energy Services Limited, giving the Company 100% ownership of the Saltfleetby Gas Field. The total effective consideration payable pursuant to the SPA is the sum of £14,052,000 of which up to £6,250,000 is deferred consideration. After the Trafigura refinancing in February 2024, the deferred consideration had been reduced to £2.88 million. Forum agreed to restructure the remaining payments with a new profile of £400,000 in June 2024 and £300,000 in each calendar quarter end thereafter until June 2025 when the balance of £1.59 million will become payable, together with interest on the balance, payable in shares, charged at 8% over SONIA. Forum can (in the event that the Company does not pay in cash) elect to receive payment either in cash or new ordinary shares issued at a 15% discount to the 30-Day Volume Weighted Average Price. As at the approval date of the Financial Statements, the balance is £2.88 million.

20. Provisions for other liabilities and charges

	2024	**2023**
	£'000	**£'000**
Abandonment costs		
Balance b/fwd	4,970	4,369
Increased provision for Saltfleetby	436	288
Increased provision Brockham	80	128
Increased provision for Lidsey	210	176
Increase provision Balcombe	2	9
Balance c/fwd	**5,698**	**4,970**

The Group makes full provision for the future costs of decommissioning oil and gas production facilities, pipelines and the installation of those facilities. The above provision was calculated over the economic life of the field and is dependent on when the producing oil and gas properties are expected to cease operations. This is entirely dependent on economic factors which include commodity pricing, the performance and the reserves of the Asset.

These provisions have been created based on the Group's internal estimates and expectations of the decommissioning costs likely to incur in the future. For the period under review, the directors have assessed that the discount rate and inflation rate to be applied to the current cost of decommissioning to be similar. On this basis, the current cost is considered to be similar to the discounted net present value.

21. Loan Payable

£12m Loan Facility

On 17 May 2021, the Group signed a Loan Facility, conditional on the setting of the hedge (see Note 22) and regulatory approval of the royalty from the NSTA, between Angus Energy and Saltfleetby Energy Limited and Mercuria Energy Trading Limited and Aleph Saltfleetby Limited as the co-Lender. The term of the Loan Facility provides for a four-year amortisation loan facility of up to £12 million with a 12% margin over LIBOR, a 3% commitment fee payable out of the facility, a share granted of 30 million shares in Angus, issued over the life of the facility and an override of 8% of gross revenue following the repayment of the facility.

The £12 million facility was required for the re-development of the Saltfleetby Gas Field and the drilling of the side-track well in line with the Field Development Plan and the Plans for the acceleration of production through the fast-tracking of the side-track well. The full amount of the facility together with arising interest was fully repaid through Trafigura Loan facility on 27 February 2024.

Repayment date schedule are as follows:	2024 £'000	2023 £'000
Current		
30 September 2024	-	4,200
Non-Current		
30 September 2025	-	3,013
Total Facility Loan	-	£7,213

£3m Bridge Loan

On 28 March 2023, the Companyentered into a £3m junior debt facility (the "Bridge Facility"). The Bridge Facility had an initial term of three months, extendable with the payment of a 3% roll fee for a further three months. The Bridge Facility was priced at SONIA + 15% and committed the Company to issue 150 million warrants, struck at 1.65p/share. The Bridge Facility was then rolled according to its terms by a further three months with a final maturity date of 28 September 2023.

£3m Bridge Loan	2024 £'000	2023 £'000
Principle	-	3,000
Interest and fees	-	406
	-	3,406

On 30 October 2023, and previously announced on 28 September 23, Kemexon Ltd agreed to convert its £3m Junior Bridge Facility, together with interest and fees, into equity in the Company at a price of 0.66 pence per share. Accordingly, on 6 November 2023, the Company issued 516,033,308 ordinary shares at 0.66 pence per share.

£6m Bridge Loan

On 21 July 2023, the Company entered into a £6m junior debt facility (the "2nd Bridge Facility") with Aleph Finance Limited ("AFL"), an associate of the Company's Substantial Shareholder Aleph Commodities Limited ("ACL"). The 2nd Bridge Facility had an initial term of three months, extendable, at the option of the Company, for a further 3-month period. Thereafter any roll is with mutual agreement. A roll fee of 3% applies. Interest on the Bridge Facility, which is payable quarterly, is capitalised on each 3-month period and added to loan balance. There is no exit fee. A 3% penalty fee applies should the Bridge Facility be repaid earlier than its stated maturity.

The 2nd Bridge Facility was priced at SONIA (Sterling Overnight Index Average) + 15%. The Company issued 300 million 3 year warrants to ACL (or associates or parties nominated by ACL) at a strike of 0.67p per share. The warrant strike price will adjust to the price of any equity issued during the term of the Bridge Facility if such equity issuance is at a price which is lower than the Warrant strike price.

The Bridge Facility was then rolled according to its terms by a further three months and then again by one month with a final maturity date of 19 February 2024. The loan was repaid in full on 22 February 2024 out of the proceeds of the £20m refinancing.

£6m Bridge Loan	2024 £'000	2023 £'000
Principal	-	6,000
Interest and fees	-	223
	-	6,223

£20m Trafigura Loan

On 22 February 2024, the Company announced that terms had been agreed with a subsidiary of Trafigura Group PTE Ltd ("Trafigura") for a refinancing of its existing debt. The Company signed definitive loan documentation which allows it to draw down in full on the £20 million loan facility (the "Facility") with Trafigura. The existing senior debt of £4.56 million was transferred to Trafigura and the proceeds of the Facility was applied to repay the bridge facility of £6 million, and £1.75 million of Forum Energy's deferred consideration from the sale of Saltfleetby Energy Limited's 49% interest in the Saltfleetby Field to Angus in 2022. The balance of funds from the Facility has been used to pay legacy creditors and invest in wells and equipment to increase gas production from Saltfleetby and restart oil production from Brockham Field in Southern England. The existing security package encompassing first fixed and floating charges over all the Group's leases, licences and equipment has been novated to Trafigura as has the Gas Sales Agreement with Shell Trading Europe Limited.The existing hedge contract was novated to Trafigura and replaced with a gas offtake agreement with embedded price protection. The Group incurred transaction costs of £1.85m, which have been capitalisied against the loan proceeds and will be amortised over the life of the loan facility. £0.548m of the cost was paid in cash, 0.550m was offset against the loan proceeds drawn down, and 0.750m was settled by the issue of shares. At 30 September 2024, the remaining unamortised amount was £1.632m.

£20m Trafigura Loan	**2024** **£'000**	**2023** **£'000**
Principal	20,000	-
	20,000	-

LOAN PAYABLES SUMMARY:	**2024** **£'000**	**2023** **£'000**
CURRENT		
£12m Loan Facility	-	4,200
£3m Bridge Loan	-	3,406
£6m Bridge Loan	-	6,223
£20m Trafigura Loan	3,380	-
	3,380	**13,829**
NON-CURRENT		
£12m Loan Facility	-	3,013
£20m Trafigura Loan	14,988	-
	14,988	**3,013**

22. Derivative Liability

On 01 June 2021, Angus Energy Weald Basin no. 3 Limited (AWB3) entered into a derivative agreement with Mercuria Energy Trading SA (METS) under a Swap contract as part of the condition of the Loan Facility (see Note 21). The derivative instrument was used to mitigate price risk on the expected future cash flow from the production of Saltfleetby Gas Field. Under the Swap contract, AWB3 will pay METS the floating price while METS will pay AWB3 the fixed price on the sale of gas from the field.

Due to the delay in the production of the Saltfleetby field, which pushed first gas production to 30 August 2022, the hedge profile had been revised. The Company's hedge counterparty agreed to allow the Company to crystallise (i.e. unwind) 50% of its forward hedge liability from Q3 2024 to the end of the hedge profile in June 2025. Settlement for each unwind is deferred until the periods in question and no interest is charged.

After the refinancing with Trafigura, the existing Mercuria hedges were novated and restructured with Trafigura, incurring a credit charge of 6 pence per therm. The Trafigura Facility requires a rolling gas price protection policy to be put in place which stipulates a minimum price protected amount equal to 45% of gas produced for the 12 months immediately ahead, and 33% for the following 6 months and 0% thereafter.

The Company also struck 7.3 million therms of new hedges to price protect the Mercuria hedges crystallised in July 2023. The Company has received further flexibility under its financing facility with Trafigura to manage these commitments ahead of the installation of the booster compressor and the expiry of the legacy hedges by deferring the settlement date up to 11 months at its discretion. Any deferral will bear interest at SONIA plus 10%. The resulting revised hedge profile as at 30 September 2024 as shown below:

Mercuria hedges restructured with Trafigura as at 30 September 2024:

Period of Gas Production		Quantity in Therms	Fixed price in pence per Therm
1-Oct-24	31-Mar-25	7,500,000	39.00
1-Apr-25	30-Jun-25	3,750,000	29.25
		11,250,000	

Hedges struck under the Trafigura Facility as at 30 September 2024:

Period of Gas Production	Quantity in Therms	Fixed price in pence per Therm

pence per Therm

1-Jul-25	31-Jul-25	1,085,000	86.05
1-Aug-25	31-Aug-25	1,085,000	86.05
1-Sep-25	30-Sep-25	1,050,000	86.05
1-Oct-25	31-Oct-25	1,085,000	90.26
1-Nov-25	30-Nov-25	1,050,000	90.26
1-Dec-25	31-Dec-25	1,085,000	90.26
		6,440,000	

Crystalised hedges at fixed price as at 30 September 2024:

Period of Gas Production		Quantity in Therms	Fixed price in pence per Therm
1-Sep-24	30-Sep-24	600,000	66.60
1-Oct-24	31-Oct-24	620,000	70.75
1-Nov-24	30-Nov-24	600,000	70.75
1-Dec-24	31-Dec-24	620,000	70.75
1-Jan-25	31-Jan-25	620,000	64.10
1-Feb-25	28-Feb-25	560,000	64.10
1-Mar-25	31-Mar-25	620,000	64.10
1-Apr-25	30-Apr-25	600,000	43.60
1-May-25	31-May-25	620,000	43.60
1-Jun-25	30-Jun-25	600,000	43.60
		6,060,000	

During the period, the Company realised a derivative cost of £8.322m.

As of the reporting date, the expected cash flow on the sale of natural gas amounted to £13.689m resulting in a loss of £10.892m of which the Group has now recorded a 100% share of its new working interest due to the acquisition of Saltfleetby Energy Limited. The resulting loss on the Swap contract was a result of the steep rise in the prices of natural gas, affecting the Group as the floating price payer as of the reporting date.

The Group has recognised the gross liability at 100%, due to the acquisition of Saltfleetby Energy Limited (SEL) with a working interest of 49% plus the Group's working interest of 51% prior to acquiring SEL.

Cash Flow of Derivative Instruments	**30 Sep 2025 £'000**	**30 Sep 2026 £'000**	**Total £'000**
Net Liability on Swap Contract	(10,702)	(190)	(10,892)

Specific valuation technique used to value the financial instruments includes fair value measurement derived from inputs other than quoted prices included within Level 1 of fair value hierarchy valuation, that are observable for the instrument either directly or indirectly (see accounting policy for Derivatives Instrument).
The carrying value of the financial instrument approximates their fair value and was valued using Level 2 fair value hierarchy valuation. The fair value has been determined with reference to commodity yield curves, as adjusted for liquidity and trading volumes as at the reporting date supplied by the Group's derivative partner, Mercuria Energy Trading. Management has carried out its own valuation of the hedge using the same method. Future dated market prices have been taken from the Heren Report dated 30 September 2024. This has resulted in a liability of £10,873m and represents a 0.18% variance to Trafigura's calculation. Management considered that the value provided by Trafigura best represented the fair value of these arrangements as the forward pricing curves did not take into account other market conditions. This is a key estimate and has been disclosed in note 4.

The nature of these arrangements in the present environment is such that material fluctuations in the value of the derivatives are occurring on a daily basis. Wholesale gas prices have increased substantially since entering into the contracts, but remain highly volatile, and as a result, the loss on these contracts has also increased significantly.

The loss on these contracts at 30 September 2024 represents the forecast spot-price value of the gas to be extracted against the value fixed to be provided to the Group. Under projected gas production volumes, these arrangements will fix the amount payable to the group for the contracted volumes, with any excess volume being able to be sold at the available spot price.

In the event that the Group does not meet its production timetable, the swaps will crystallise as a liability at the dates at the proposed periods of gas production in the swap agreements.

23. Financial instruments

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, derivative instruments and trade and other payable. The Group's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument are set out in Note 3. The Group do not use financial instruments for speculative purposes.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

	Financial Asset at amortised cost	Financial Liabilities at amortised cost	Financial Liabilities at fair value through profit and loss	TOTAL
30 September 2024	**£'000**	**£'000**	**£'000**	**£'000**
Asset				
Trade and other receivables	3,374	-	-	**3,374**
Cash and cash equivalents	2,163	-	-	**2,163**
Total financial assets	**5,537**	**-**	**-**	**5,537**
Liabilities				
Trade and other payable	-	5,410	-	**5,410**
Deferred consideration on acquisition of Saltfleetby Energy Limited	-	2,887	-	**2,887**
Lease liabilities	-	18	-	**18**
Debt financing	-	18,368	-	**18,368**
Derivative liability	-	-	**10,892**	**10,892**
Total financial liabilities	**-**	**26,683**	**10,892**	**37,575**

	Financial Asset at amortised cost	Financial Liabilities at amortised cost	Financial Liabilities at fair value through profit and loss	TOTAL
30 September 2023	**£'000**	**£'000**	**£'000**	**£'000**
Asset				
Trade and other receivables	2,976	-	-	**2,976**
Cash and cash equivalents	2,172	-	-	**2,172**
Total financial assets	**5,148**	-	-	**5,148**
Liabilities				
Trade and other payable	-	5,010	-	**5,010**
Deferred consideration on acquisition of Saltfleetby Energy Limited	-	5,244	-	**5,244**
Lease liabilities	-	40	-	**40**
Debt Financing	-	16,841	-	**16,841**
Derivative Liability	-	-	21,714	**21,714**
Total financial liabilities	**-**	**27,135**	**21,714**	**48,849**

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while attempting to maximise the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the group consists of issued capital (see note 15) and external loans (see note 21).

Credit risk

Credit risk is the risk that a counter-party will cause a financial loss to the Group by failing to discharge its obligations to the Group. The Group manages its exposure to this risk by applying limits to the amount of credit exposure to any one counterparty and employs strict minimum credit worthiness criteria as to the choice of counterparty. The maximum exposure to credit risk for receivables and other financial assets is represented by their carrying amount.

Fair values

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Interest rate risk

The Group and company's policy is to fund its operations through the use of retained earnings and equity. The Group exposure to changes in interest rates relates primarily to cash at bank, loan facility and amount owed by related parties. Cash is held either on current or short term deposits at a floating rate of interest determined by the relevant bank's prevailing base rate.

Interest rate sensitivity

The following table demonstrates the sensitivity to reasonably possible changes in the interest add-on rate for the £20 million loan with the principal interest rate held constant at 8% (see note 21). The add-on-interest rate is linked to SONIA (Sterling Over Night Indexed Average) and based on the September 2024 average of 5.133% it had an immaterial impact of £103,000.

Increase/decrease in add-on Interest rate	**Increase / (decrease) 30 September 2024 £**	**2023 £**
+ 10%	103	-
- 10%	(103)	-

Foreign currency exchange risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group does not hedge its foreign currencies. Transactions with customers regarding oil sales are denominated in US Dollars. The Group has bank accounts in US Dollars to mitigate against the exchange risks, which is very minimal to its value. At 30 September 2024, the GBP cash balance denominated in USD was £113,621 (2023; £323).

Liquidity risks

The principal risk to the Group is liquidity, which arises from the Group's management of working capital. It is a risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. This aspect is kept under review by the directors and in this respect, management carries out rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. It is the Group's policy as regards liquidity to ensure sufficient cash resources are maintained to meet short-term liabilities.

The maturity profile of the Group's financial liabilities at the reporting dates based on contractual undiscounted payments are summarised below:

	2024 £'000	2023 £'000
Trade and other payable		
Within one month	2,508	3.564
Within two to three months	2,459	1,463
Within four to twelve months	3,330	5,243
	8,297	10,270

	2024 £'000	2023 £'000
Lease liabilities		
Within one month	-	-
Within two to three months	-	-
Within four to six months	18	23
Within six to twelve months	-	-
More than twelve months	-	17
	18	40

	2024 £'000	2023 £'000
Loan liabilities		
Within one month	-	9,629
Within two to three months	-	1,050
Within four to six months	2,552	1,050
Within six to twelve months	3,680	2,100
More than twelve months	19,945	3,013
	26,177	16,842

*The table included estimate on interest for the loan duration

	2024 £'000	2023 £'000
Derivative liabilities		
Within one month	1,518	874
Within two to three months	2,347	1,903
Within four to six months	3,468	3,493
Within six to twelve months	3,369	6,557
More than twelve months	190	8,887
	10,892	21,714

Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices of oil and gas products it produces. The table below summarised the impact on profit before tax for changes in commodity prices

Commodity price sensitivity

The analysis is based on the assumption that the crude oil, condensate oil and natural gas prices move 10% resulting in a change of US 7.89/bbl for crude oil, US 63.18/ton for condensate oil and GBP 0.07/Therm for natural gas sales for 2024, with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of the average spot prices at each reporting periods.

Increase/decrease in crude oil prices	**Increase / (decrease) in profit before tax for the year ended 30 September**	
	2024 £'000	**2023 £'000**
Average spot price increased by 10%	16	-
Average spot price decreased by 10%	(16)	-

Increase/decrease in condensate oil prices — **Increase / (decrease) in profit before tax for the year ended 30 September**

	2024 £'000	2023 £'000
Average spot price increased by 10%	158	143
Average spot price decreased by 10%	(158)	(143)

Increase/decrease in gas prices	**Increase / (decrease) in profit before tax for the year ended 30 September**	
	2024	**2023**
	£'000	**£'000**
Average spot price increased by 10%	2,008	2,683
Average spot price decreased by 10%	(2,008)	(2,683)

24. Net debts reconciliation

The below table sets out an analysis of net debt and the movement in net debt for the years presented

	2024	**2023**
	£'000	**£'000**
Cash and cash equivalent	2,163	2,172
Loan payable (note 21)	(18,368)	(7,213)
Bridge Loans (note 21)	-	(9,000)
Deferred consideration on Saltfleetby Energy Limited acquisition	(2,887)	(5,244)
Net debt	(19,092)	(19,285)

	Cash and cash equivalents	**Convertible loan note**	**Loans**	**Bridge Loans**	**Deferred consideration on acquisition of SEL**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Net debt as at 1 October 2022	747	(1,433)	(11,550)	-	(6,734)	(18,970)
Cash flow	(11,266)	-	-	-	-	(11,266)
Convertible Loan notes	-	1,433	-	-	-	1,433
Issue of new equity (net proceeds)	8,518	-		-	1,000	9,518
Bridge Loans	9,000	-	-	(9,000)	-	-
Deferred consideration payment	(490)	-	-	-	490	-
Facility Loan repayment	(4,337)		4,337	-	-	-
Net debt as at 30 September 2023	**2,172**	**-**	**(7,213)**	**(9,000)**	**(5,244)**	**(19,285)**
Net debt as at 1 October 2023	2,172	-	(7,213)	(9,000)	(5,244)	(19,285)
Cash flow	(3,117)	-	-	-	-	(3,117)
Loan settlement (equity)	-	-	-	3,000	-	3,000
Trafigura Loan	14,885	-	(14,885)	-	-	-
Deferred consideration	(2,357)	-	-	-	2,357	-
Facility Loan repayment	(8,872)	-	2,872	6,000	-	-
Transaction cost paid	(548)	-	548	-	-	-
Transaction cost off set the loan proceeds	-	-	526	-	-	526
Amortisation of finance cost	-	-	(216)	-	-	(216)
Net debt as at 30 September 2024	**2,163**	**-**	**(18,368)**	**-**	**(2,887)**	**(19,092)**

25. Commitments

At 30 September 2024, the Group had a contractual capital commitments of NIL (2023: NIL) in respect to the Group's Saltfleetby development activities.

26. Related Party transactions

Amounts due at the year end to Forum Energy Services Limited are £2,887,000 (2023: £5,244,000) (see note 19). Forum Energy Services Limited is a related party by virtue of Paul Forrest joining the board and resigning on 30 April 2024 which is within 12 months of publishing these accounts. Paul Forrest is also the sole shareholder of Forum Energy Services Limited.

Aleph Commodities Limited ("ACL") and its associates are Substantial Shareholders in the Company and accordingly ACL and its associates, which includes Aleph Finance Limited, are related parties under the AIM Rules. Therefore, both the first and second Bridge Facility (see note 21) and associated warrants and fees were related party transactions under the AIM Rules.

Kemexon Ltd, the lender of the Bridge Loan (see note 21), is a Substantial Shareholder in the Company as defined under the AIM Rules, and therefore the conversion of The Bridge Facility was a Related Party Transaction under AIM Rule 13.

27. Subsequent events

The Trafigura Facility requires a rolling gas price protection policy to be put in place which stipulates a minimum protected amount equal to 45% of gas produced for the 12 months immediately ahead, and 33% for the following 6 months and 0% thereafter. As such, on 25 February 2025, the following hedges were struck.

Additional Hedges struck under the Trafigura Facility:

Period of Gas Production		Quantity in Therms	Fixed price in pence per Therm
1-Jan-26	31-Jan-26	620,000	123.08
1-Feb-26	28-Feb-26	560,000	121.33
1-Mar-26	31-Mar-26	620,000	115.35
1-Apr-26	30-Apr-26	600,000	101.53
1-May-26	31-May-26	620,000	97.27
1-Jun-26	30-Jun-26	600,000	95.82
1-Jul-26	31-Jul-26	465,000	95.20
1-Aug-26	31-Aug-26	465,000	95.85
1-Sep-26	30-Sep-26	450,000	96.50
1-Oct-26	31-Oct-26	465,000	92.28
1-Nov-26	30-Nov-26	450,000	98.16
1-Dec-26	31-Dec-26	465,000	100.07
		6,380,000	

	Note	2024 £'000	2023 £'000
ASSETS			
Non-current assets			
Investment	**5**	47,210	56,455
Total non-current assets		47,210	56,455
Current assets			
Trade and other receivables	**6**	67	170
Cash and cash equivalents		97	395
Total current assets		164	565
TOTAL ASSETS		**47,374**	**57,020**
EQUITY			
Equity attributable to owners of the parent:			
Share capital	**8**	8,844	7,254
Share premium	**8**	48,412	45,500
Merger relief reserve		1,500	1,500
Loan note reserves		-	-
Accumulated loss		(16,459)	(14,200)
TOTAL EQUITY		**42,297**	**40,054**
Current liabilities			
Trade and other payables	**7**	5,077	7,337
Bridge Loans		-	9,629
Total current liabilities		5,077	16,966
TOTAL LIABILITIES		**5,077**	**16,966**

TOTAL EQUITY AND LIABILITIES	**47,374**	**57,020**

The loss for the Company for the year ended 30 September 2024 was £3,487,000 (2023: £5,475,000)

The notes on page 77 to 79 of the annual report form part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 5 March 2025 and were signed on its behalf by:

Richard Herbert - Director

Company number: 09616076

	Share capital £'000	Share premium £'000	Merger relief reserve £'000	Loan note reserves £'000	Accumulated loss £'000	Total equity £'000
Balance at 1 October 2022	**5,529**	**38,708**	**1,500**	**106**	**(14,719)**	**31,124**
Loss for the year	-	-	-		(5,475)	(5,475)
Total comprehensive income for the year	**-**	-	**-**		**(5,475)**	**(5,475)**
Transaction with owners						
Issue of shares	1,725	10,297	-	(106)	-	11,916
Less: issuance costs	-	(3,477)	-	-	-	(3,477)
Grant of share options	-	-	-	-	1,377	1,377
Grant of warrant as fund raise and finance cost	-	(28)	-	-	4,617	4,589
Balance at 30 September 2023	**7,254**	**45,500**	**1,500**	**-**	**(14,200)**	**40,054**
Loss for the year	-	-	-	-	(3,487)	(3,487)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(3,487)**	**(3,487)**
Transaction with owners						
Issue of shares	1,590	2,919	-	-	-	4,509
Less: issuance costs	-	(7)	-	-	-	(7)
Grant of share options	-	-	-	-	410	410
Grant of Warrant as finance costs	-	-	-	-	818	818
Balance at 30 September 2024	**8,844**	**48,412**	**1,500**	**-**	**(16,459)**	**42,297**

Share capital comprises the ordinary issued share capital of the company.

Share premium comprises of the excess above the nominal value of the new ordinary shares issued during the period.

The merger relief reserve represents the difference between the cost of the investment in Angus Energy Holding UK Limited (initially measured at fair value) and the nominal value of the shares transferred as consideration.

Retained earnings represent the aggregate retained earnings of the company.

The notes on page 77 to 79 of the annual report form part of these financial statements.

1. General information

The company was incorporated in England and Wales on 1 June 2015 as a private limited company. Its registered office is located at Building 3, Chiswick Park, 566 Chiswick High Street, London, W4, 5YA.

The financial information of the company is presented in British Pounds Sterling ("£") and rounded into thousand (£'000).

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets. The financial statements have been prepared in accordance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006. The principal accounting policies are described below. They have all been applied consistently throughout the period.

Investment

Investments in subsidiaries are stated at cost less provision for impairment. Where merger relief is applicable, the cost of the investment is recorded at the fair value on the date of the transaction. The difference between the fair value of the investment and the nominal value of the shares (plus the fair value of any other consideration given) is shown as a merger relief reserve and no share premium is recognised.

Cash and cash equivalents

Cash in the statement of financial position is cash held on call with banks.

Financial assets

The directors classify the company's financial assets held at amortised cost less provisions for impairment. The directors determine the classification of its financial assets at initial recognition.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2. Accounting policies (continued)

Taxation (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Loss for the financial period

The Company has taken advantage of section 408 of the Companies Act 2006 and, consequently, a profit and loss account for the Company alone has not been presented. The Company's loss for the financial period was approximately £3,487,000 (2023: £5,475,000).

4. Staff costs

There is one employee and four directors employed by the company. The directors are regarded as the key management and their remunerations are disclosed in note 8 to the consolidated financial statements.

5. Investment

	Cost of investment £'000	Loan to group undertakings £'000	Total £'000
At 1 October 2022	15,680	22,952	38,632
Movement of the intercompany loan for the year	-	17,823	17,823
At 30 September 2023	15,680	40,775	56,455
Movements of the intercompany loan for the year	-	(9,501)	(9,501)
Saltfleetby Energy Limited investment	256	-	256
At 30 September 2024	15,936	31,274	47,210

The details of the subsidiary are set out in note 12 to the consolidated financial statements.

The Company is required to assess the carrying value of each of its investments in subsidiaries and loans to group undertakings for impairment. To a large extent the oil & gas production assets and exploration and evaluation assets, which have been funded by loans from the Company, are represented by the value of the operating segment cash generating units. Recoverability of these loans is therefore dependent upon the operating segments producing sufficient cash surplus such that the segment achieves a positive net asset position.

6. Trade and other receivables

	2024 £'000	2023 £'000
Other receivables	67	170
	67	170

7. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	2,124	2,000
Deferred consideration on acquisition of		

Deferred consideration on acquisition of Saltfleetby Energy Limited	2,887	5,244
Other taxation	65	92
Other payables	1	1
	5,077	7,337

The carrying amount of trade and other payables approximates to their fair value.

8. Share capital

The movement of share capital and share premium are set out in note 15 to the consolidated financial statements.

As at 30 September 2024 the total issued ordinary shares of the Company were 4,421,854,810 (2023: 3,626,860,032).

9. Related Party transactions

See Note 26 of the Notes to the consolidated Financial Statements for further details of related party transactions.

10. Subsequent events

See Note 27 of the Notes to the consolidated Financial Statements for further details of subsequent events.