

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

FOR

THE INDEPENDENT POWER CORPORATION PLC

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for the year ended 30 June 2023

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THE INDEPENDENT POWER CORPORATION PLC

COMPANY INFORMATION
for the year ended 30 June 2023

DIRECTORS: P.R.S. Earl
Y Goligorsky
E R Shaw
Ms A Gorgyan
Ms M S R Sanchez de Lozada G

SECRETARY: Ms A Gorgyan

REGISTERED OFFICE: 15th Floor
Millbank Tower
21-24 Millbank
London
London
SW1P 4QP

REGISTERED NUMBER: 03097552 (England and Wales)

AUDITORS: Cameron Baum Hollander Limited
Chartered Accountants
Statutory Auditor
88 Crawford Street
London
W1H 2EJ

STRATEGIC REPORT
for the year ended 30 June 2023

The Directors present their strategic report for the financial year ending 30th June 2023.
The principal activity of the Company in the period under review was that of developer, constructor and operator of power plants.

Review of Business

Independent Power Corporation PLC ("IPC") is a company incorporated in England & Wales. IPC is one of the United Kingdom's leading power developers and power plant operators. Founded in 1995, IPC has developed, owned or operated over 10,000 MW of thermal and hydro power generation facilities in North America, Latin America, South Africa, Asia and Europe.

IPC is built around its ability to marry financial and engineering skills to help its clients finance, develop and operate greenfield power projects or to acquire on behalf of clients existing plants in order to upgrade efficiency and improve management.

IPC has continued work on developing further offshore wind projects as well as solar and battery storage projects in Europe and Latin America.

Through its joint venture with Oil Gas & Marine Limited, IPC is also developing over 3,000 MW of new ultra-low emissions gas-fired peaking and balancing power plants located offshore using carbon capture and storage to produce near zero carbon energy. These projects are predominantly centred on the English coastal waters of the North Sea. IPC is also pursuing opportunities to develop and construct clean tech balancing power projects to provide low carbon open cycle gas fired generation to support national transmission systems in maintaining stability when accepting increased levels of intermittent renewable energy.

During the financial year the principal debtor to IPC concluded an arbitration case regarding its cancelled project in West Africa. In July 2023 final award was issued and as a result the directors believe that the outstanding fees will be paid in full and have therefore made no provision against the carrying value.

Under the ownership of founder Peter Earl, IPC has been exploring new alliances and joint ventures with institutional investors to combine the Company's strong experience as a developer and operator of renewable energy and low carbon power plants in Western Europe and in emerging markets with providers of long-term capital for new, clean, low emissions power plants.

In January 2020, IPC and Nebras Power of Qatar announced the formation of Nebras Power IPC Developments Limited ("NPIDL") to undertake clean energy projects. IPC transferred specific project activities into this new company.

During the last financial year, IPC acquired Sloane Renewable Energy Limited, owner of a run-of river hydro developer as part of its IPC New World Energy development initiative.

The Company has undertaken refurbishment and procurement services for third party clients during the transition period from traditional gas fired power plants to zero carbon alternatives, supervising some 100 MW of turbine purchases, overhauls and upgrades. During 2024 IPC is planning an additional 240 MW of equipment purchases which are expected to be installed for clients under IPC supervision during 2024.

Principal Risks & Uncertainties

The Company is exposed to foreign exchange risks and uncertainties which result from its operating activities overseas. In most cases the Company charges fees in US dollars or UK £ Sterling. The Company does not engage in the trading of financial assets for speculative purposes. The Company's revenue streams are development fees from technical and financial advisory mandates, with, in many cases, a success fee earned upon achieving successful milestones. The development process can be uneven and subject to delay, resulting in a lumpy cashflow profile. The Company seeks to mitigate troughs in its cashflow through its monthly fees and with the support of its shareholders.

Future Developments

The Company continues to pursue technical advisory roles in emerging markets and has developed as principal a series of gas fired balancing power projects in Africa, Latin America and the Caspian region based on General Electric gas turbine technology. The Russia-Ukraine conflict has caused continued delays to projects in Azerbaijan and in Western Kazakhstan but IPC continues to identify project opportunities in Latin America, Middle East and Africa. IPC continues to work on dedicated low carbon power plants serving new hyper-scaled data centres in emerging markets as well as Europe, focussing on net zero carbon emissions technology.

STRATEGIC REPORT
for the year ended 30 June 2023

IPC is developing its IPC New World Energy brand which focuses on renewable energy projects, including offshore wind and solar, along with balancing power supplied by low carbon and zero carbon gas fired generation using existing, well-established technologies for carbon capture and storage offshore working closely with General Electric as a technology partner. IPC expects its Marine Low Carbon Power subsidiary for gas fired generation plants with carbon capture and storage integrated into their design to play a leading role in the United Kingdom balancing power market.

Key Performance Indicators

The Company measures its performance based on the number of MW under development, both on its own account and for others, and their position in the development cycle. As projects achieve development milestones, they become more valuable, from initial enquiries through projects that have started the financing process where sources of debt and equity funds have been identified through construction to commercial operations. By 30th June 2023 the Company had some 7,900 MW in development (6,400 MW in 2022); 12,000 MW in planning (10,000 MW in 2022); 1,450 MW in financing (350 MW in 2022).

ON BEHALF OF THE BOARD:

P.R.S. Earl - Director

4 March 2024

REPORT OF THE DIRECTORS
for the year ended 30 June 2023

The directors present their report with the financial statements of the company for the year ended 30 June 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the developer and operator of power plants.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2022 to the date of this report.

P.R.S. Earl
Y Goligorsky
E R Shaw
Ms A Gorgyan
Ms M S R Sanchez de Lozada G

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Cameron Baum Hollander Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

P.R.S. Earl - Director

4 March 2024

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE INDEPENDENT POWER CORPORATION PLC**

Qualified Opinion

We have audited the financial statements of The Independent Power Corporation Plc (the 'company') for the year ended 30 June 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023, and of its profit for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

Included in the debtors shown on the balance sheet is an amount of £842,469 due from a single entity, whose ability to pay it is dependent on the outcome of litigation they are undertaking against a third party. No provisions have been made against the recoverability of the debt, as the directors are confident of a full recovery, based on arbitration decisions made in favour of the entity in their dispute with the third party. In our opinion there is material uncertainty surrounding the recoverability of the debt, and a material provision is required. Accordingly, debtors could be reduced by up-to the full amount of £842,469, and profit for the year and retained earnings by the same amount.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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, 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.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE INDEPENDENT POWER CORPORATION PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims.

Reviewing minutes of meetings of those charged with governance.

Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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 Report of the Auditors.

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Baum (Senior Statutory Auditor)
for and on behalf of Cameron Baum Hollander Limited
Chartered Accountants
Statutory Auditor
88 Crawford Street
London
W1H 2EJ

5 March 2024

THE INDEPENDENT POWER CORPORATION PLC (REGISTERED NUMBER: 03097552)

INCOME STATEMENT
for the year ended 30 June 2023

	Notes	2023 £	2022 £
REVENUE	3	1,189,823	6,632,672
Cost of sales		<u>1,050,747</u>	<u>6,063,926</u>
GROSS PROFIT		139,076	568,746
Administrative expenses		<u>114,702</u>	<u>112,744</u>
		24,374	456,002
Other operating income	4	<u>56,000</u>	<u>9,380</u>
OPERATING PROFIT	6	80,374	465,382
Gain/(loss) on revaluation of investments		<u>-</u>	<u>122,999</u>
		80,374	588,381
Interest payable and similar expenses	8	<u>-</u>	<u>4,546</u>
PROFIT BEFORE TAXATION		80,374	583,835
Tax on profit	9	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>80,374</u>	<u>583,835</u>

The notes form part of these financial statements

THE INDEPENDENT POWER CORPORATION PLC (REGISTERED NUMBER: 03097552)

BALANCE SHEET
30 June 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Property, plant and equipment	10		10,760		15,118
Investments	11		<u>371,605</u>		<u>880,645</u>
			382,365		895,763
CURRENT ASSETS					
Debtors	12	1,444,898		1,509,526	
Cash at bank and in hand		<u>19,361</u>		<u>90,157</u>	
		1,464,259		1,599,683	
CREDITORS					
Amounts falling due within one year	13	<u>151,113</u>		<u>1,019,473</u>	
NET CURRENT ASSETS			<u>1,313,146</u>		<u>580,210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,695,511		1,475,973
CREDITORS					
Amounts falling due after more than one year	14		<u>139,164</u>		-
NET ASSETS			<u>1,556,347</u>		<u>1,475,973</u>
CAPITAL AND RESERVES					
Called up share capital	16		361,359		361,359
Share premium	17		5,798,677		5,798,677
Revaluation reserve	17		59,568		59,568
Retained earnings	17		<u>(4,663,257)</u>		<u>(4,743,631)</u>
SHAREHOLDERS' FUNDS			<u>1,556,347</u>		<u>1,475,973</u>

The financial statements were approved by the Board of Directors and authorised for issue on 4 March 2024 and were signed on its behalf by:

P.R.S. Earl - Director

THE INDEPENDENT POWER CORPORATION PLC (REGISTERED NUMBER: 03097552)

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2023

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 July 2021	361,359	(5,327,466)	5,798,677	59,568	892,138
Changes in equity					
Total comprehensive income	-	583,835	-	-	583,835
Balance at 30 June 2022	<u>361,359</u>	<u>(4,743,631)</u>	<u>5,798,677</u>	<u>59,568</u>	<u>1,475,973</u>
Changes in equity					
Total comprehensive income	-	80,374	-	-	80,374
Balance at 30 June 2023	<u>361,359</u>	<u>(4,663,257)</u>	<u>5,798,677</u>	<u>59,568</u>	<u>1,556,347</u>

The notes form part of these financial statements

CASH FLOW STATEMENT
for the year ended 30 June 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(459,750)	277,321
Interest paid		-	(4,546)
Net cash from operating activities		<u>(459,750)</u>	<u>272,775</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(17,432)
Purchase of fixed asset investments		(1)	(178,581)
Sale of tangible fixed assets		50,964	-
Sale of fixed asset investments		509,041	-
Net cash from investing activities		<u>560,004</u>	<u>(196,013)</u>
Cash flows from financing activities			
New loans in year		-	138,581
Loan repayments in year		(2,417)	-
Amount introduced by directors		7,800	60,000
Amount withdrawn by directors		(99,414)	(193,350)
Loans to Group undertakings		(77,019)	(131,379)
Net cash from financing activities		<u>(171,050)</u>	<u>(126,148)</u>
Decrease in cash and cash equivalents		<u>(70,796)</u>	<u>(49,386)</u>
Cash and cash equivalents at beginning of year	2	90,157	139,543
Cash and cash equivalents at end of year	2	<u>19,361</u>	<u>90,157</u>

NOTES TO THE CASH FLOW STATEMENT
for the year ended 30 June 2023

1.	RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS	2023	2022
		£	£
	Profit before taxation	80,374	583,835
	Depreciation charges	4,358	2,314
	Profit on disposal of fixed assets	(50,964)	-
	Gain on revaluation of fixed assets	-	(122,999)
	Finance costs	-	4,546
		<u>33,768</u>	<u>467,696</u>
	Decrease/(increase) in trade and other debtors	141,647	(302,840)
	(Decrease)/increase in trade and other creditors	(635,165)	112,465
	Cash generated from operations	<u>(459,750)</u>	<u>277,321</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2023

	30.6.23	1.7.22
	£	£
Cash and cash equivalents	<u>19,361</u>	<u>90,157</u>

Year ended 30 June 2022

	30.6.22	1.7.21
	£	£
Cash and cash equivalents	<u>90,157</u>	<u>139,543</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.22	Cash flow	At 30.6.23
	£	£	£
Net cash			
Cash at bank and in hand	<u>90,157</u>	<u>(70,796)</u>	<u>19,361</u>
	<u>90,157</u>	<u>(70,796)</u>	<u>19,361</u>
Debt			
Debts falling due within 1 year	(143,581)	141,581	(2,000)
Debts falling due after 1 year	-	(139,164)	(139,164)
	<u>(143,581)</u>	<u>2,417</u>	<u>(141,164)</u>
Total	<u>(53,424)</u>	<u>(68,379)</u>	<u>(121,803)</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

1. **STATUTORY INFORMATION**

The Independent Power Corporation Plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are prepared in UK Pound Sterling, which is functional currency of the company.

Significant judgements and estimates

In preparing these financial statements, the directors have had to make the following judgements:

* Determine whether there are indicators of impairment of the company's tangible and intangible assets including Fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

* Tangible fixed assets (see note 10). Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Turnover

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Income is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets less their residual values over their useful lives, using the straight line method as follows:

Computer equipment - straight line at 25% on cost

The company's policy is to review the remaining useful economic lives and residual values of fixed assets on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated useful economic life and residual value.

Fully depreciated fixed assets are retained in the cost of the asset and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the profit and loss account.

Assets not carried at fair value are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reverses, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in the Income statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Sterling, which is the company's functional and presentation currency and is denoted by the symbol "£".

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents and all other foreign exchange gains and losses are presented in the profit and loss account within 'Foreign exchange losses or gains'.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits:

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Annual bonus plans:

The company recognises a provision and an expense for bonuses where the company has a legal or constructive obligation as a result of past events and a reliable estimate can be made. This can include discretionary bonuses which have been approved at the year end.

Defined contribution pension plans:

The company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays contributions into a separate fund. Under defined contribution plans, the company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the company pays contributions to privately administered pension plans on a contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

2. ACCOUNTING POLICIES - continued

Going concern

The financial statement have been prepared under the going concern basis as the directors have undertaken a review of the future financing requirements for the ongoing operation of the company and are satisfied that sufficient cash facilities are secured, in respect of positive cash inflows from operations to meeting its working capital requirement for at least 12 months from the date of signing of these financial statements.

3. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by geographical market is given below:

	2023	2022
	£	£
United Kingdom	120,969	98,300
Asia	1,068,854	6,534,372
	<u>1,189,823</u>	<u>6,632,672</u>

4. OTHER OPERATING INCOME

	2023	2022
	£	£
Exchange gains	5,036	9,380
Profit on sale of tangible fixed assets	50,964	-
	<u>56,000</u>	<u>9,380</u>

5. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	46,910	38,000
Other pension costs	1,935	1,191
	<u>48,845</u>	<u>39,191</u>

The average number of employees during the year was as follows:

	2023	2022
Management and administration	<u>2</u>	<u>2</u>

	2023	2022
	£	£
Directors' remuneration	<u>7,800</u>	<u>-</u>

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	4,358	2,314
Profit on disposal of fixed assets	(50,964)	-
Foreign exchange differences	<u>(5,036)</u>	<u>(9,380)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

7. AUDITORS' REMUNERATION

	2023	2022
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	23,000	13,000
Auditors' remuneration for non audit work	<u>3,000</u>	<u>3,000</u>

The directors have noted and accepted the terms and conditions of the audit engagement letter and have resolved to accept all the terms including the limitation of liability clauses set out therein.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	<u>-</u>	<u>4,546</u>

9. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 June 2023 nor for the year ended 30 June 2022.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£	£
Profit before tax	<u>80,374</u>	<u>583,835</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	15,271	110,929
Effects of:		
Expenses not deductible for tax purposes	24,189	(79)
Income not taxable for tax purposes	(33,053)	(23,370)
Capital allowances in excess of depreciation	-	(4,027)
Utilisation of tax losses	<u>(6,407)</u>	<u>(83,453)</u>
Total tax charge	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

10.	PROPERTY, PLANT AND EQUIPMENT	Computer equipment £
	COST	
	At 1 July 2022	24,641
	Disposals	<u>(7,209)</u>
	At 30 June 2023	<u>17,432</u>
	DEPRECIATION	
	At 1 July 2022	9,523
	Charge for year	4,358
	Eliminated on disposal	<u>(7,209)</u>
	At 30 June 2023	<u>6,672</u>
	NET BOOK VALUE	
	At 30 June 2023	<u>10,760</u>
	At 30 June 2022	<u>15,118</u>
11.	FIXED ASSET INVESTMENTS	Shares in group undertakings £
	COST OR VALUATION	
	At 1 July 2022	880,645
	Additions	1
	Disposals	<u>(386,042)</u>
	Revaluations	<u>(122,999)</u>
	At 30 June 2023	<u>371,605</u>
	NET BOOK VALUE	
	At 30 June 2023	<u>371,605</u>
	At 30 June 2022	<u>880,645</u>
	Cost or valuation at 30 June 2023 is represented by:	
		Shares in group undertakings £
	Valuation in 2023	<u>371,605</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

11. **FIXED ASSET INVESTMENTS - continued**

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Independent Power Operations Limited

Registered office: England and Wales

Nature of business: Consultancy services

	%			
Class of shares:		holding		
Ordinary		100		
			31.12.2022	31.12.2021
			£	£
Aggregate capital and reserves			(168,579)	(123,911)
Loss for the year			<u>(44,668)</u>	<u>(34,449)</u>

Nebras Power-IPC Developments Limited

Registered office: England and Wales

Nature of business: Consultancy services

	%			
Class of shares:		holding		
Ordinary		50		
			31.12.2022	31.12.2021
			£	£
Aggregate capital and reserves			369,681	416,347
Loss for the year			<u>(46,666)</u>	<u>(56,820)</u>

The Marine Low Carbon Power Company Limited

Registered office: England and Wales

Nature of business: Consultancy services

	%			
Class of shares:		holding		
Ordinary		50		
			30.06.2022	30.06.2021
			£	£
Aggregate capital and reserves			<u>2</u>	<u>2</u>

Sloane Renewable Energy Limited

Registered office: England and Wales

Nature of business: Consultancy services

	%			
Class of shares:		holding		
Ordinary		100		
			30.11.2022	30.11.2021
			£	£
Aggregate capital and reserves			<u>151,394</u>	<u>151,394</u>

The Long Distance Power Cable Company Limited

Registered office: England and Wales

Nature of business: Consultancy services

	%			
Class of shares:		holding		
Ordinary		50		
			28.02.2023	28.02.2022
			£	£
Aggregate capital and reserves			1	1
Loss for the year			<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

12.	DEBTORS		
		2023	2022
		£	£
	Amounts falling due within one year:		
	Trade debtors	842,469	1,174,970
	Amounts owed by group undertakings	208,398	131,379
	Other debtors	194,481	193,710
	Payments on account	2,400	-
	VAT	-	9,467
		<u>1,247,748</u>	<u>1,509,526</u>
	Amounts falling due after more than one year:		
	Other Loans	<u>197,150</u>	<u>-</u>
	Aggregate amounts	<u>1,444,898</u>	<u>1,509,526</u>
13.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2023	2022
		£	£
	Other loans (see note 15)	2,000	143,581
	Trade creditors	12,187	478,916
	Social security and other taxes	4,587	5,449
	VAT	21,845	-
	Other creditors	2	193,984
	Net wages	2,714	2,567
	Directors' current accounts	7,173	98,787
	Accrued expenses	100,605	96,189
		<u>151,113</u>	<u>1,019,473</u>
14.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
		2023	2022
		£	£
	Other loans (see note 15)	<u>139,164</u>	<u>-</u>
15.	LOANS		
	An analysis of the maturity of loans is given below:		
		2023	2022
		£	£
	Amounts falling due within one year or on demand:		
	Other loans	<u>2,000</u>	<u>143,581</u>
	Amounts falling due between two and five years:		
	Other loans - 2-5 years	<u>139,164</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal	2023	2022
		Value		
		£	£	£
16,135,856	Ordinary	0.01	161,359	161,359
200,000	Preference	1.00	200,000	200,000
			<u>261,359</u>	<u>261,359</u>

Each ordinary share is entitled to vote and ranks pari passu with each ordinary share.

The preference shares has the right to receive an annual dividend equivalent to 5 percent of the capital paid up on each share. The holders have no right to vote at general meetings, unless the preference share dividend has not been paid when due. On winding up, the holders are entitled to receive capital and unpaid dividends ahead of any payment to ordinary shareholders.

17. RESERVES

	Retained earnings	Share premium	Revaluation reserve	Totals
	£	£	£	£
At 1 July 2022	(4,743,631)	5,798,677	59,568	1,114,614
Profit for the year	80,374			80,374
At 30 June 2023	<u>(4,663,257)</u>	<u>5,798,677</u>	<u>59,568</u>	<u>1,194,988</u>

18. CONTINGENT LIABILITIES

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

19. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Included within debtors is the sum of £194,481 (2022: £193,710) owed by Nebras Power-IPC Developments Limited, a 50% owned joint venture which has Directors in common with this company.

Included within creditors is a loan of £141,163 (2022: £143,581) owed to Sloane Corporate Finance Ltd which has Directors in common with this company. The loan accrues Interest at 1% p/a (2022: £143,581).

20. ULTIMATE CONTROLLING PARTY

The controlling party is P.R.S. Earl.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

21. FINANCIAL RISK MANAGEMENT

The company has exposures to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure.

Foreign exchange transactional currency exposure:

The company is exposed to currency exchange rate risk due to a significant proportion of its contract being denominated in non-Sterling currency. The net exposure of each currency is monitored and managed by the use of currency bank accounts.

Liquidity risk:

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows.

Customer credit exposure:

The company may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.

22. PROVISIONS

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

23. CONSOLIDATION

The company and its subsidiary undertaking comprise a small group. The company has therefore taken the advantage of the exemption provided by section 399 of the Companies Act 2006 not to prepare group accounts. The financial statements therefore presents information about the company as an individual undertaking and not about its group.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.