Registered number: 13723431

Aura Renewable Acquisitions Plc

Annual Report and Financial Statements for the period ended 31 December 2022

Company Information

Directors	John Croft *(Non-Executive Chairman)* David Fitzsimmons *(Non-Executive Director)* Guy Ranawake *(Non-Executive Director)* *Robin Stevens* *(Non-Executive Director)*
Company Secretary	CFPro Cosec Limited
Registered Office	5 Chancery Lane London WC2A 1LG
Registered Number	13723431
Independent Auditors	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London, E14 4HD
Legal Advisers	DMH Stallard LLP 6 New Street Square New Fetter Lane London EC4A 3BF
Principal Bankers	Barclays Bank Plc Leicester LE87 2BB
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
Broker	Shard Capital Partners LLP 23rd Floor 20 Fenchurch Street London EC3M 3BY
Company Website	https://aurarenewables.com/

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Chairman's Statement

It is my pleasure to present the maiden audited results for Aura Renewable Acquisitions Plc (the "Company" "Aura") covering the period from incorporation on 4 November 2021 to 31 December 2022.

The Company joined the Standard Segment of the Main Market of the London Stock Exchange on 8 April 2022 and raised gross proceeds of £1,000,000 from a placing and subscription. As a result of the costs of the IPO and limited overheads incurred during the period, this resulted in a loss before taxation of £236,000. At 31 December 2022 the Company held cash resources of £809,000.

Aura was established to acquire and then act as the holding company for targeted businesses operating in the Global Renewable Energy Sector Supply Chain, particularly participants in the battery, wind, solar, biomass, hydropower, carbon capture, waste management, smart grids and green hydrogen supply chain, and their sub-sectors. These potential targets could range from raw materials resourcing to power generation, energy storage and recycling.

Since listing, Aura has been exploring targets in the UK and overseas which could provide an opportunity to create significant growth in this crucially important, exciting, and fast-moving market sector. We have also consulted with the Board's professional and business networks to raise the Company's profile and reinforce its intentions and objectives to these potential introducers of opportunities, as a result of which we have held early discussions with a select number of potential target companies for acquisition.

The widespread economic and political uncertainty caused by supply chain issues, inflation, interest rate rises, hostilities in Europe and further afield, the lingering impact of Covid and climate change has restricted capital market activity during 2022. However, there are early signs that capital market transactions may be beginning to resurface, and we remain more confident than ever that the renewable energy sector will offer excellent opportunities for acquisitive and organic growth. We are committed to ensure that the Company and its stakeholders have the chance to share in these opportunities.

We are very aware of the need of our wider environmental, social and governance responsibilities to shareholders and other stakeholders and once we have made our first acquisition, we will follow what we believe to be market best practice and developing procedures to address these important issues.

I would like to thank my fellow board members and our advisers for their assistance in these early stages of the Company's journey and look forward to providing an update on progress in due course.

Yours Sincerely

John Croft
Non-Executive Chairman
Date: 4 April 2023

Strategic Report

Business review and future developments

During the period ended 31 December 2022, the Company raised £1,000,000 by way of a placing and subscription of new ordinary shares and completed the Admission of its shares to the Official List (by way of a Standard Listing under the Listing Rules) and to trading on the London Stock Exchange's main market.

Since its Admission, the Board has reviewed several acquisition opportunities and held early-stage discussions with a number of parties. To date, however, a suitable opportunity has not been identified and the Directors will provide an update to shareholders once any discussions reach a more advanced stage.

Strategy

The Company is a Special Purpose Acquisition Company ("SPAC"). The purpose of the Company is to seek out suitable acquisition targets in the renewable energy sector.

Aura has been established with a view to taking advantage of the growing demand for renewable energy investment. It aims to do so through a phased strategy of selecting targets in both mature and growing markets; focusing investment and management expertise to enable acquisitions to scale and develop; and growing market share, customer satisfaction and shareholder value through high performance. Aura will consider potential targets throughout the Global Renewable Energy Sector Supply Chain.

The aim is to create value by building a group of significant scale that will serve UK and international markets.

The Company intends to leverage the deep industry knowledge of its Board to undertake due diligence on the commercial attributes of a target entity's business and the Company will engage professional advisory firms to undertake legal and financial due diligence.

The Company anticipates considering a number of potential opportunities but will only seek to move to a more formal but non-binding letter of intent stage with targets which meet its internal acquisition criteria.

Whilst the Company's internal acquisition criteria is necessarily wide, reflecting the fact that the Company wishes to assess targets from across the Global Renewable Energy Sector Supply Chain, the Directors consider that the commercial potential and appeal of a target's products or services and the attributes of a target's founders/management team are key aspects in evaluating any potential target.

Following its first acquisition, which will see the Company go from being considered a SPAC to being the holding company of an operational business, the Directors may continue to seek out further opportunities which may be bolt-on acquisitions to the acquired business, so as to create a platform, or constitute a separate standalone division. Whilst the first acquired business may enable the Company to build a platform in order to undertake complementary acquisitions, there is no specific number of such further acquisitions currently envisaged and no specific timeframe over which those acquisitions may be made.

Strategic Report (continued)

Whether the first Acquisition is followed by further bolt-on acquisitions will depend greatly on the profile and needs of that initial target. Once acquired, there may be a compelling reason to seek further complementary businesses. However, it is also possible that the Directors will concentrate on the business of the enlarged group following the initial Acquisition and seek to grow that organically.

Principal risks and risk management

The Directors have identified the following as the key risks facing the business:

Risk	Description and mitigation
Acquiring less than controlling interests	The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company's operational strategies and reduce its ability to enhance shareholder value. This risk is managed by focusing on opportunities that give the Company a controlling interest using the Directors' experience in making such acquisitions.
Inability to fund operations post-acquisition	The Company may be unable to fund the operations post-acquisition of the target business if it does not obtain additional funding, however, the Company will ensure that appropriate funding measures are taken to ensure minimum commitments are met.
The Company's relationship with the Directors and conflicts of interest	The Company is dependent on the Directors to identify potential acquisition opportunities and to execute an acquisition. The Directors are not obliged to commit their whole time to the Company's business; they will allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company's affairs. However, the Board has established an Independent Acquisitions Committee which will consider potential acquisition targets where a Director has a conflict.
Suitable acquisition opportunities may not be identified or completed	The Company's business strategy is dependent on the ability of the Directors to identify suitable acquisition opportunities. If the Directors are not able to identify a suitable acquisition target, the Company may not be able to fulfil its objectives. Furthermore, if the Directors identify a suitable target, the Company may not acquire it at a suitable price or at all. In addition, if an acquisition identified and subsequently aborted, the Company may be left with substantial transaction costs. The Board of Directors has considerable experience in corporate finance activities and in managing acquired business which is expected to benefit the Company and minimise these risks.
Risks inherent in an acquisition	Although the Company and the Directors will evaluate the risks inherent in a particular target, they cannot offer any further assurance that all of the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in Ordinary Shares in the Company will ultimately prove to be more favourable to investors than a direct investment, if such an opportunity were available, in a target business. The experience of the Board both in terms of relevant sector experience and corporate finance skills are key to managing these risks.

Strategic Report (continued)

Principal risks and risk management(continued)

Risk	Description and mitigation
Reliance on external advisors	The Directors expect to rely on external advisors to help identify and assess potential acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted fail to perform as required. The Board's experience in previous transactions is key in mitigating these risks.
Reliance on income from the acquired activities	Following an Acquisition, the Company will be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expenses. If the acquired business is unable to provide sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions on the Ordinary Shares. The Board's experience in the sector and its due diligence process is expected to mitigate these risks.
Restrictions in offering Ordinary Shares as a consideration for an acquisition or requirements to provide alternative consideration	In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as a consideration for an acquisition, which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company. The experience of the Board is key to managing such risks.

Key performance indicators

At this stage in its development, the Company is focusing on the evaluation of various opportunities in the renewables sector. As and when the Company executes its first substantial acquisition, financial, operational, health, safety, and environmental KPIs will become more relevant and reported upon as appropriate. As a result, the Directors are of the opinion that, other than the maintenance of cash and cash equivalents, analysis using KPIs is not appropriate for an understanding of the business at this time.

As at 31 December 2022, the Company's cash and cash equivalents were £809,000.

Gender analysis

A split of our Directors by gender at the end of the financial period is: Male: 4 and Female: 0. The Board recognizes the need to operate a gender diverse business, and will ensure this is reviewed following an acquisition. The Board will also ensure any future employment considers the necessary diversity requirements and compliance with all employment law. The Board is satisfied that it has the experience and sufficient training and qualifications to operate this business at this early stage. More detail will be disclosed in the future annual reports once the Company completes an acquisition.

Strategic Report (continued)

Corporate social responsibility

The Company aims to conduct its business with honesty, integrity, and openness, respecting human rights and the interests of shareholders and employees. The Company aims to provide timely, regular, and reliable information on the business to all its shareholders and conduct its operations to the highest standards.

Once the Company makes an acquisition and has employees, it aims to establish a diverse and dynamic workforce with the experience and knowledge of the business operations and markets in which we intend to operate.

Corporate environmental responsibility

In line with the Company's early stage of development, there have been no instances of non-compliance in respect of environmental matters.

The Company's policy is to minimize the risk of any adverse effect on the environment associated with its activities with a thoughtful consideration of such key areas as energy use, pollution, transport, renewable resources, health and wellbeing. The Company also aims to ensure that its suppliers and advisers meet with their legislative and regulatory requirements and that codes of best practice are met and exceeded.

Other non-financial information

The Company does not yet have any business operations or employees. The Board acknowledges that a strong business relationship with current and future service providers and future customers is a vital part of the growth.

We value the feedback we receive from our stakeholders, and we take every opportunity to ensure that where possible their wishes are duly considered. In conducting its activities, the Board has regard to and respect for human rights and the Company's impact on society and local communities.

Policies and procedures have been established for strong corporate governance including anti-corruption and anti-bribery matters.

Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole

When making decisions the Company takes into account the impact of its activities on the community, the environment and the Company's reputation for good business conduct. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole as required by s172 of the Companies Act 2006.

Strategic Report (continued)

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long-term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

The Company has operated as a cash shell throughout the period ended 31 December 2022.

The pre-revenue nature of the business as a shell, prior to the completion of its acquisition strategy, is important to the understanding of the Company by its members and suppliers, and the Directors were as transparent about the cash position and funding requirements.

Decision Making and Implementation

The Board is collectively responsible for the decisions made towards the long-term success of the Company and how the strategic, operational and risk management decisions have been implemented throughout the business is detailed in this Strategic Review on pages 6 to 7.

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during the period ended 31 December 2022:

- Any contracts for third-party advisory services provided have been undertaken with a clear cap on financial exposure;
- As a result of these efforts the Company succeeded in completing the Admission of its shares.

As a Company, the Board seriously considers its ethical responsibilities to the communities and environment.

Maintaining High Standards of Business Conduct

The Board places great importance on this aspect of corporate life, where failure could put the Company at risk, and seeks to ensure that this flows through all its business interactions and at all levels of the Company. The Board upholds the importance of sound ethical values and behaviour not only because it is important to the Company to successfully achieve its corporate objectives and to transmit this culture throughout the organisation, but also to set a benchmark and send a signal of what it will and will not do in the jurisdictions in which the Company may operate.

The Company is incorporated in the UK and governed by the Companies Act 2006 which requires the Company to conform with the various statutory and regulatory provisions in the UK. The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the 'QCA Code') and the Board recognises the need to maintain a high standard of corporate governance as well as to comply with the Listing Rules to safeguard the interest of the Company's stakeholders.

Strategic Report (continued)

The corporate governance arrangements that the Board has adopted, and observance of applicable regulatory requirements also form part of the corporate culture, requiring a standard of behaviour when interacting with suppliers, business partners, service providers, regulators and others. For example, the Company has adopted an Anti-Corruption and Bribery Policy and Whistleblowing Policy that dictate acceptable behaviour as well as the Share Dealing Code for Directors and employees, and in accordance with the requirements of the Market Abuse Regulations, which came into effect in 2016.

Shareholder Engagement

The Board places equal importance on all shareholders and recognises the significance of transparent and effective communications with shareholders. There is a need to provide fair and balanced information in a way that is understandable to all stakeholders and particularly our shareholders.

The Board recognises that it is accountable to shareholders for the performance and activities of the Company and is committed to providing effective communication with its shareholders. Significant developments are disseminated through stock exchange announcements. Any changes to the Board and Board Committees, changes to major shareholder information, QCA Code disclosure updates are promptly published on the website to enable the shareholders to be kept abreast of the Company's affairs. The Company's Annual Report and Notice of Annual General Meetings (AGM) are available to all shareholders and the Interim Report can be downloaded from the Company's website.

Shareholders can attend the Company's Annual General Meetings and any other shareholder meetings held during the year, where they can formally ask questions, raise issues and vote on the resolutions as well as engage in a more informal one-to-one dialogue with the Directors.

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006. The Board continuously reflects on how the Company engages with its stakeholders and opportunities for enhancement in the future. As required, the Company's external advisors and the Company Secretary will provide support to the Board to help ensure that sufficient consideration is given to issues relating to the matters set out in s172(1)(a)-(f).

The Board regularly reviews the Company's principal stakeholders and how it engages with them. This is achieved through information provided via Regulatory News Service announcements, Corporate Presentations, and Shareholder Meetings and teleconferences and also by direct engagement with stakeholders themselves.

This report was approved by the Board of Directors on 4 April 2023 and signed on its behalf by:

…………………………………………
Guy Ranawake, Director

Directors' Report

The Directors present their first Annual Report together with the financial statements of the Company for the period ended 31 December 2022. The Company's Corporate Governance Statement is set out on pages 19 to 22.

The Company was incorporated in England and Wales on 4 November 2021 with registration number 13723431 as a public company limited by shares.

Principal activity

The Company is to act as the holding company for various target businesses operating in the Global Renewable Energy Sector Supply Chain.

An indication of the likely future developments in the business of the Company is included in the Strategic Report and Chairman's Statement.

Results and dividends

The results for the period are set out in the Statement of Comprehensive Income. The Directors do not recommend the payment of a dividend on the Ordinary Shares.

Financial instruments and risk management

An explanation of the Company's financial risk management objectives, policies and strategies and information about the use of financial instruments by the Company is given in Note 10 to the Financial Statements.

Share capital structure

The Company was incorporated on 4 November 2021 under the UK Companies Act 2006.

Details of the current issued share capital of the Company are set out in Note 8 to the financial statements. £150,000 of Ordinary Shares in nominal value are in issue (divided into 10,500,000 issued Ordinary Shares of 1p each and 45,000 non-voting Deferred Shares of £1 each).

All of the issued Ordinary Shares are in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The ISIN number of the Ordinary Shares is GB00BKPH9N11. The SEDOL number of the Ordinary Shares is BKPH9N1.

Directors

The Directors of the Company during the period were as follows:

- John Croft
- David Fitzsimons
- Guy Ranawake
- Robin Stevens

Directors' Report (continued)

Director biographies

John Croft - Non-Executive Chairman (Age: 70) (appointed 4 November 2021)

John Croft is an experienced chairman and non-executive director of both public and private companies. He previously had a successful international career in the technology and financial services sectors.

John has been the Executive Chairman and is a member of the Audit Committee of Jade Road Investments Limited, an investment company listed on the London AIM market, and has extensive experience in Asia, having served on the boards of companies based in Malaysia, Hong Kong, China and Australia. As Executive Chairman of Jade Road Investments Limited, he leads the non-executive directors and has primary responsibility for ensuring that company meets the standards of corporate governance expected of an AIM investing company of its size.

He became a non-executive director at Brazilian Nickel Plc in 2017, which is developing a Nickel Laterite project in Northeast Brazil and has been a non-executive director at Golden Rock Global Ltd. a Special Purpose Acquisition Company (SPAC) quoted with a Standard Listing from 2016. Golden Rock Global Ltd's IPO was in 2016, and in November 2021, Golden Rock Global Ltd. announced its intention to acquire BOLT GLOBAL, a block chain-based media and decentralised finance ecosystem.

He has previously held senior director level positions in Racal Electronics (1990 to 1996) and NCR Corporation (1979 to 1989), following an early career in banking with HSBC (1972 to 1977) and Citibank (1977 to 1979). He resides in the United Arab Emirates.

David Fitzsimmons - Non-Executive Director (Age: 67) (appointed 24 November 2021)

David Fitzsimmons is highly experienced in the energy business, in both executive and non-executive positions. After a 27-year career with BP, from 1978 to 2004, he served as CEO of the UK listed renewables company Novera Energy for 4 years, from 2005 to 2009. He has subsequently advised a number of other renewables companies, including serving on the strategic advisory board of Braemar Energy in New York from 2005 to 2020.

Currently, David is a Member of the Technology Expert Service at Imperial College and has been since 2019, providing support and guidance on the commercialisation of its technologies, and has been a member of Pearlstone Energy's Advisory Board from 2018.

Additionally, David is a director of Locate in Kent (appointed in 2015), the Inward Investment Agency for Kent, as well as a Governor of Skinners Kent Academy (appointed in 2011). David has also been appointed as a director of the Skinners' Academy, with effect from 1 January 2022. David was made Chairman of Dig Deep in 2021, having been a director and trustee since 2017, a charity that brings clean water and hygiene training to rural communities in Kenya.

Previously, David served as a director at the Renewables Energy Association (REA) from 2007 to 2009 and the International Petroleum Exchange (IPE) from 1996 to 1997. He resides in the United Kingdom.

Directors' Report (continued)

Guy Ranawake - Non-Executive Director (Age: 54) (appointed 24 November 2021)

Guy Ranawake is an experienced financial professional with considerable experience in the renewable energy space. He is currently an Independent Adviser to a variety of technology-focused SMEs including Exagen (from 2020) (a grid-scale solar and storage developer), with a particular focus on business strategy and capital raising. Most recently, in December 2021, he became a Designated Member of SRC Partners LLP, an LLP set up for the purpose of fund management focused on private market opportunities in the sustainability and energy transition space.

Guy is also Chair of the Dalgarno Trust, having been appointed in November 2020, a charity that aims to improve the lives of those living in North Kensington, London.

From 2016 through to 2020, Guy was the Senior Investment Director and Fund Manager of Ingenious Group, an Alternative Investment Fund Manager ("AIFM") authorised and regulated by the FCA, where he managed infrastructure and infrastructure technology funds investing in renewable energy assets and technology providers, involved in businesses such as smart grids, electric vehicle charging, and energy efficiency solutions.

He also has prior experience at Evercore (2008 to 2015), Barclays (2007 to 2008) and Citi (1995 to 2003), where he held director positions in their respective Energy and Infrastructure teams. Guy has been an Associate of the Institute of Chartered Accountants of England and Wales ("ICAEW") since 1993, having qualified with PWC (1990 to 1995). He resides in the United Kingdom.

Robin Stevens - Non-Executive Director (Age: 69) (appointed 4 November 2021)

Robin Stevens has a wealth of experience in corporate finance, financial advisory and business consulting. Currently, he is a Senior Adviser and Capital Markets Lead at MHA MacIntyre Hudson LLP (from 2021), where he provides capital markets and corporate finance advice to firms in the UK and overseas. He has particular experience working with emerging companies in the Asia Pacific region.

Robin has been an executive director at Robin Stevens Consulting Limited since 2018, which provides financial advisory and business consulting services to emerging companies in the UK and abroad, non-executive chairman at Vector Capital PLC (from 2020), a specialist group facilitating business to business loans secured against land and property in the UK, where he chairs the Audit Committee and serves on the Remuneration Committee, a non-executive director of Hercules Site Services PLC (from 2022), a business providing direct labour, civil engineering, specialist excavation and ancillary services to the UK construction sector, where he chairs the Audit Committee and, since 2021, a non-executive director at Annica Holdings Limited, a Catalist listed company on the Singapore Stock Exchange with operations in the oil and gas and renewable energy sectors, where he serves on the Audit Committee and chairs the Nomination Committee, and Avelas Biociences Inc., a private US company pioneering the field of fluorescence imaging for real time cancer detection.

Previously, Robin was a corporate finance and audit partner at Moores Rowland LLP from 1989 to 1999, MRI Moores Rowland LLP from 1999 to 2007, Mazars LLP, from 2007 to 2010, and Crowe UK LLP, from 2010 to 2018, at which firms he was in each case UK Capital Markets Lead. He was a Senior Adviser to Crowe UK LLP from 2018 to 2021. He was also Chairman of the International Corporate Finance Committee of the worldwide accounting groups Moores Rowland International and Praxity International.

Directors' Report (continued)

He has acted as lead partner as Reporting Accountant on numerous capital market transactions in the UK, Europe and the Far East. He has presented on capital markets and corporate governance issues in the roles above at capital market seminars and workshops over the last 20 years. He resides in the United Kingdom.

Independence of the Board

As the Directors are incentivised by the grant of Director Warrants, as described in Note 9 to the Financial Statements, their independence may be regarded as compromised. However, the Board has established an Independent Acquisitions Committee which will consider potential acquisition targets where a Director has a conflict.

It is intended that additional Directors, both executive and non-executive, will be appointed at the time of the acquisition and that independence will be one of the factors considered at that time.

Directors' fees

Each of the Directors have agreed not to be remunerated until such time as an acquisition is completed. Subsequent entitlement to a fee will be considered by the Nomination and Remuneration Committee after such an acquisition.

On 5 April 2022, each Director entered into a letter of appointment with the Company. The letters of appointment are capable of termination by either party giving to the other not less than three months' notice in writing, such notice not to be given earlier than the first anniversary of the Company's Admission.

Each Director is entitled to be granted Director Warrants at the discretion of the Nomination and Remuneration Committee. The letters of appointment do not provide for any benefits on termination of the appointment.

Directors' interests

As at 31 December 2022, none of the Directors and their connected persons held any beneficial interests in the ordinary share capital of the Company.

Each Director has been granted 262,500 Director Warrants, further details of which are set out in the Directors Remuneration Report and in Note 9 to the Financial Statements.

No Director currently has any share options and no share options were granted to or exercised by a Director in the reporting period.

Directors' Report (continued)

Substantial shareholders

The following had interests of 3 per cent or more in the Company's issued share capital as at 31 December 2022.

Party Name	Number of Ordinary Shares	% of Ordinary Share Capital
Hargreaves Lansdown (Nominees) Limited	332,728	3.17%
Peel Hunt Holdings Limited	336,869	3.21%
JIM Nominees Limited	370,000	3.52%
Harmony Capital Investments Limited	1,500,000	14.29%

Capital and returns management

The Company raised gross proceeds of £1,000,000 from the Placing and subscriptions, as more fully described in Note 9 to the Financial Statements. The Directors believe that, following an Acquisition, further equity capital raisings may be required by the Company for working capital purposes as the Company pursues its objectives. Given that the anticipated operating costs of the Company have been minimal, the Company has not required any further funding during the period ended 31 December 2022.

The Directors are authorised by a shareholder resolution dated 25 January 2022 to issue, or to grant rights to subscribe for or to convert any security into, up to 977,220,000 Ordinary Shares following Admission free of statutory pre-emption rights (this is the authority that will remain after the authority to issue, or to grant rights to subscribe for or to convert any security into, up to 1,000,000,000 Ordinary Shares given by the resolution is used in part to allot the New Ordinary Shares and grant the Warrants). The statutory pre-emption rights in relation to such issue have been disapplied by the shareholder resolution, and therefore pre-emption rights do not apply for the issue or grant of rights to subscribe for or to convert any security into, up to 977,220,000 Ordinary Shares following Admission.

The Company expects that any returns for shareholders would derive primarily from capital appreciation of the Ordinary Shares and any dividends paid pursuant to the Company's dividend policy.

Liability insurance for Company officers

The Company has not obtained any third-party indemnity for its Directors at this stage and this will be reviewed in due course.

Conflicts of Interest

On 23 March 2022 the Board established an Independent Acquisitions Committee to facilitate the process of reviewing and assessing potential acquisitions that are introduced to the Company by one of the Board of Directors or any of their connected parties. In the event of any such introduction by a Director or their connected party, the relevant individual is automatically excluded from the deliberations of the Independent Acquisitions Committee and will take no part in decisions as to whether to proceed (or not proceed) and in relation to any commercial terms.

Directors' Report (continued)

Political and charitable donations

The Company did not make any political donations or incur any political expenditure during the period.

Audit Committee

The Audit Committee consists of Robin Stevens (Chair) and Guy Ranawake, each of whom have recent and relevant financial experience. The Audit Committee Terms of Reference state that it will meet at least two times a year at the appropriate times in the reporting and audit cycle. The committee has responsibility for, amongst other things, the monitoring of the financial integrity of the financial statements of the Company and the involvement of the Company's auditors in that process. It focuses in particular on compliance with accounting policies and ensuring that an effective system of internal financial control is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports, remains with the Board.

The terms of reference of the Audit Committee cover such issues as membership and the frequency of meetings, as mentioned above, together with the requirements for any quorum for and the right to attend meetings. The duties of the Audit Committee covered in the terms of reference are: financial reporting, internal controls, internal audit, external audit and reserving. The terms of reference also set out the authority of the committee to carry out its duties.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of David Fitzsimmons (Chair) and John Croft. The Nomination and Remuneration Committee Terms of Reference state that it will meet at least twice a year once the Company has executed its first Acquisition. It will have responsibility for the determination of specific remuneration packages for each of the directors and any senior executives or managers of the Company and its future group, including pension rights and any compensation payments, and recommending and monitoring the level and structure of remuneration for senior management, and the implementation of share option, or other performance-related, schemes.

The Nomination and Remuneration Committee will also be responsible for considering and making recommendations to the Board in respect of appointments to the Board, the Board committees and the chairmanship of the Board committees. It is also responsible for keeping the structure, size and composition of the Board under regular review, and for making recommendations to the Board with regard to any changes necessary. The Nomination and Remuneration Committee also considers succession planning, taking into account the skills and expertise that will be needed on the Board in the future.

The terms of reference of the Nomination and Remuneration Committee cover such issues as membership and frequency of meetings, as mentioned above, together with the requirements for quorum for and the right to attend meetings. The duties of the Nomination and Remuneration Committee covered in the terms of reference relate to the following: determining and monitoring policy on and setting levels of remuneration, early termination, performance-related pay, pension arrangements, authorising claims for expenses from the chief executive officer and chairman, reporting and disclosure, share schemes and appointment of remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the committee to carry out its duties.

Directors' Report (continued)

Independent Acquisitions Committee

The Independent Acquisitions Committee will consist of all Independent Directors in the event of a potential Acquisition target being introduced to the Company by a Director or any of their affiliated parties. In any such circumstances, the Independent Acquisitions Committee will have a full remit to negotiate the terms of such transaction (including engaging and liaising with professional advisers, who may also include affiliates of shareholders of the Company) and any conflicted or interested Director will not be entitled to join or attend any meetings of the Committee.

The Directors are responsible for internal control in the Company and for reviewing effectiveness. Due to the size of the Company, all key decisions are made by the Board. The Directors have reviewed the effectiveness of the Company's systems during the period under review and consider that there have been no material losses, contingencies or uncertainties due to weaknesses in the controls.

Details of the Company's business model and strategy are included in the Chairman's Statement and Strategic Report.

Role of the Board

The Board sets the Company's strategy, ensuring that the necessary resources are in place to achieve the agreed priorities. It is accountable to shareholders for the creation and delivery of long-term shareholder value. To achieve this, the Board directs and monitors the Company's affairs within a framework of control which enables risk to be reviewed and managed effectively.

Board meetings

The core activities of the Board are carried out in scheduled meetings and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which would require discussions outside of scheduled meetings. The Directors maintain frequent contact with each other to discuss issues of concern and keep them fully briefed to the Company's operations. All Directors attended all Board meetings held.

Employee and greenhouse gas (GHG) emissions

The Company currently has no trade or employees other than the Directors. Therefore, the Company has minimal carbon or greenhouse gas emissions and it is not practical to obtain emissions data at this stage. It does not have responsibility for any emissions producing sources under the Companies Act 2006. Greenhouse gas emissions, energy consumption and energy efficiency disclosures have not been given because the Company consumed less than 40,000 kWh of energy during the period.

The Company has not included any recommended climate-related financial disclosures as it is not premium listed and will take the necessary steps, in order to be able to make those disclosures in the future.

Directors' Report (continued)

Equal opportunity

The Company promotes a policy for the creation of equal and ethnically diverse employment opportunities including with respect to gender. The Company will promote and encourage employee involvement wherever practical as it recognises employees as a valuable asset and is one of the key contributions to the Company's success.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further details are given in Note 2 to the financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Statement as to disclosure of information to auditors

The Directors confirm that:

- there is no relevant audit information of which the Company's statutory auditor is unaware; and
- each Director has taken all the necessary steps he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's statutory auditor is aware of that information.

Auditors

The auditors, PKF Littlejohn LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Approved on behalf of the Board of Directors by:

………………………………..
Guy Ranawake, Director
Date: 4 April 2023

Corporate Governance Statement

The Board supports high standards of corporate governance. To this end the Company intends to comply with the Quoted Companies Alliance Corporate Governance Code (the “QCA Code”) from Admission so far as is practicable given the Company’s size and nature. The QCA Code sets out a standard of minimum best practice for small and mid-size quoted companies. Given the early stage of the Company, there are areas where it is not appropriate to fully follow the code, which have been identified below.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders	The Company is a Special Purpose Acquisition Company (“SPAC”). The purpose of the Company is to seek out suitable acquisition targets in the renewable energy sector. Aura has been established with a view to taking advantage of the growing demand for renewable energy investment. It aims to do so through a phased strategy of selecting targets in both mature and growing markets; focusing investment and management expertise to enable acquisitions to scale and develop; and growing market share, customer satisfaction and shareholder value through high performance. Aura will consider potential targets throughout the Global Renewable Energy Sector Supply Chain. The aim is to create value by building a group of significant scale that will serve UK and international markets. Further information can be found in the Strategic Report on pages 5 to 10.
Principle 2: Seek to understand and meet shareholder needs and expectations	Directors are aware that developing a good understanding of the needs and expectations of the shareholders, helps to form a clear view of the motivations behind their voting decisions. The Board is committed to maintaining good communication and having constructive dialogue with shareholders by providing effective communication through our Annual Report along with Regulatory News Service announcements. We also use the Company’s website, https://aurarenewables.com/, for both financial and general news relevant to shareholders. All shareholders are invited to attend the Company’s first Annual General Meeting (“AGM”) on 3 May 2023, and have an opportunity to ask questions directly to the Directors at the meeting. The AGM is regarded as an opportunity to meet, listen, and present to shareholders, and shareholders are encouraged to attend and ask questions. The AGM results are subsequently published on the Company’s website.
Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success	The Company are very aware of the needs of our wider environmental, social and governance responsibilities to shareholders and other stakeholders and their implications for long-term success. Once we have made our first acquisition, we will follow what we believe to be market best practice and developing procedures to address these important issues.

Corporate Governance Statement (continued)

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation	The Board recognises the need for effective and well-defined risk management process considering both opportunities and threats. The Board will further address issues relating to internal control and the Company's approach to risk management acquisition is made and have formally adopted an anti-corruption and bribery policy.
Principle 5: Maintain the board as a well-functioning, balanced team led by the chair	At present, the Company has no independent directors so done not meet the QCA Code requirement that a company should have at least two independent non-executive directors. The Board meets regularly to review potential targets and to progress towards its goals. The Company has established an Audit Committee, and Nomination and Remuneration Committee, each with formally delegated duties and responsibilities and with written terms of reference. The following Board and Committee meetings were held during the period to 31 December 2022, and the tables outlines the Directors' attendance. This schedule will evolve over time.

	Board meetings	***Audit Committee***	***Nomination and Remuneration Committee***
Total meetings held in year(s)	2021: 2 and 2022: 5	1	1
John Croft	2/2 and 5/5	N/A	1/1
David Fitzsimmons*	1/1 and 5/5	N/A	1/1
Guy Ranawake*	1/1 and 5/5	1/1	N/A
Robin Stevens	2/2 and 5/5	1/1	N/A

*appointed 24 November 2021

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	The Board believes that the composition of the Board brings a desirable range of skills and experience in light of the Company's challenges and opportunities following Admission, while at the same time ensuring that no individual (or a small group of individuals) can dominate the Board's decision making. The Company will appraise the structure of the Board on an ongoing basis and after the first acquisition. Full biographies for each director can be found on pages 12-14.
Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	The Nomination and Remuneration Committee is responsible for carrying out an annual evaluation of the performance of the Board. Considering the early stage of Company, it is not considered appropriate to Evaluate board performance at this time.

Corporate Governance Statement (continued)

Principle 8: Promote a corporate culture that is based on ethical values and behaviours	The Nomination and Remuneration Committee is responsible for determining policy and practices, that are clear, simple and mitigate risk and are based on the principles of predictability, proportionality and alignment to culture.
Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision making by the board	The Board as a whole are responsible for the governance and stewardship of the Company. The Board has established an Audit Committee and a Nomination and Remuneration Committee with effect from Admission. In addition, the Board has also established an Independent Acquisitions Committee which will consider potential targets where a Director has a conflict. Audit Committee has responsibility for, amongst other things, the monitoring of the financial integrity of the financial statements of the Company and the involvement of the Company's auditors in that process. It has particular focus on compliance with accounting policies and ensuring that an effective system of internal financial control is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports, remains with the Board. The duties of the Audit Committee covered in the terms of reference are financial reporting, internal controls, internal audit, external audit and reserving. The terms of reference also set out the authority of the committee to carry out its duties. The Nomination and Remuneration Committee has specific responsibility for the determination of specific remuneration packages for each of the directors and any senior executives or managers of the Company and its future group, including pension rights and any compensation payments, and recommending and monitoring the level and structure of remuneration for senior management, and the implementation of share option, or other performance-related, schemes.

Corporate Governance Statement (continued)

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision making by the board (continued)	The Nomination and Remuneration Committee will also be responsible for considering and making recommendations to the Board in respect of appointments to the Board, the Board committees and the chairmanship of the Board committees. It is also responsible for keeping the structure, size and composition of the Board under regular review, and for making recommendations to the Board with regard to any changes necessary. The Nomination and Remuneration Committee also considers succession planning, taking into account the skills and expertise that will be needed on the Board in the future. The Independent Acquisitions Committee will consist of all Independent Directors in the event of a potential Acquisition target being introduced to the Company by a Director or any of their affiliated parties. For these purposes, John Croft will not participate in the Independent Acquisitions Committee if it considers a potential Acquisition introduced by any of Suresh Withana, Harmony Capital or HC Investors; as Harmony Capital is owned by Suresh Withana who is a director of HC Investors, which manages investments on a non-discretionary basis on behalf of Jade Road Investments Limited, of which John Croft is Executive Chairman. In any such circumstances, the Independent Acquisitions Committee will have a full remit to negotiate the terms of such transaction (including engaging and liaising with professional advisers, who may also include affiliates of shareholders of the Company) and any conflicted or interested Director will not be entitled to join or attend any meetings of the Committee.
Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The Board is committed to maintaining good communication with shareholders by providing effective communication through our Annual Report along with Regulatory News Service announcements. We also use the Company's website, https://aurarenewables.com/, for both financial and general news relevant to shareholders.

Directors' Remuneration Report

The Company established a nomination and remuneration committee pursuant to the Admission in April 2022. At present, no Director receives a fee or other remuneration for his services.

The items included in the Directors' Remuneration Report are unaudited unless otherwise stated.

Directors' letters of appointment

On 5 April 2022, each Director entered into a letter of appointment with the Company. The letters of appointment are capable of termination by either party giving to the other not less than three months' notice in writing, such notice not to be given earlier than the first anniversary of the Company's Admission. The letters of appointment do not provide for any benefits on termination of the appointment and are governed by English law.

Dividend policy

The Company intends to pay dividends on the Ordinary Shares following an Acquisition at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion.

Prior to an acquisition it is unlikely that the Company will have any earnings but to the extent the Company has any earnings it is the Company's current intention to retain any such earnings for use in its business operations, and the Company does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

During the period ended 31 December 2022, there were no dividends paid.

Particulars of Directors' remuneration (audited)

No Director received any remuneration during the period ended 31 December 2022.

Statement of Directors' shareholding and share interests (audited)

The Directors who served during the period ended 31 December 2022, and any interests at that date, are disclosed on Pages 11 and 14. There were no changes between the reporting date and the date of approval of this report.

Each of the 4 Directors has been granted 262,500 Director Warrants which enable the holder to subscribe for one Ordinary Share for 15 pence. The Director Warrants will vest on the completion of the first Acquisition and will be exercisable during the period of 3 years from the vesting date. The Director Warrants are freely transferable, provided that they may not be transferred during the period of the holder's appointment as Director or, if longer, during the period up to completion of the first Acquisition.

Directors' Remuneration Report (continued)

UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company has only been listed since April 2022, is not paying dividends, is currently incurring losses as its focus is to seek an acquisition.

In addition, and as mentioned above, the remuneration of Directors is not currently linked to performance, and we therefore do not consider the inclusion of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future reports.

Consideration of shareholder views

The Board considers shareholder feedback received. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's annual policy on remuneration.

Policy for salary reviews

The Company may from time to time seek to review salary levels of Directors, taking into account performance, time spent in the role and market data for the relevant role. It is not intended that there will be any salary review prior to completion of an acquisition.

Policy for new appointments

It is not intended that there will be any new appointments to the Board until an acquisition is completed. Following completion of an acquisition, it is intended that a full review of the Board will take place.

Other matters

The Company does not currently have any annual or long-term incentive schemes in place for any of the Directors and therefore there are no disclosures in this respect.

None of the Directors hold options in respect of Ordinary Shares. Save as set out above and below, there is currently no intention for the Company to make incentivisation arrangements for the Directors to be involved in the capital of the Company or otherwise any employee share option arrangements.

The Company does not have any pension plans for any of the Directors and has not paid out any excess retirement benefits to any Directors.

Approved on behalf of the Board of Directors by:

………………………………………….
Guy Ranawake, Director
Date: 4 April 2023

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors have elected to prepare the financial statements in accordance with applicable law and UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006. 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 the affairs of the Company and of the profit or loss for that period.

In preparing these financial statements, the Directors are also required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Strategic Report, Directors' Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006; and
- 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement pursuant to disclosure and Transparency Rules

The Directors are responsible for preparing the Financial Statements in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ("DTR") and with UK-adopted International Accounting Standards.

Each of the Directors, whose names and functions as listed in the Board of Directors confirm that, to the best of their knowledge:

- the financial statements, prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Strategic and Directors' Reports include a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces; and

Statement of Directors' Responsibilities (continued)

- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Approved on behalf of the Board of Directors by:

…………………………………………
Guy Ranawake, Director
Date: 4 April 2023

Independent Auditor's Report to the Members of Aura Renewable Acquisitions Plc

Opinion

We have audited the financial statements of Aura Renewable Acquisitions Plc (the 'Company') for the period ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- 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 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 public interest 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.

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. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing directors' assessment of going concern and disclosures within the financial statements;
- Determining if all relevant information has been included in the assessment of going concern, including considering the completeness of forecast expenditure;
- Analysing the forecasts up to June 2024 and reviewing the key underlying assumptions in relation to expenditure and checking the mathematical accuracy of management's going concern model;
- Challenging management over the key underlying assumptions; and
- Inspecting the bank balances close to the date of approval of the financial statements.

We noted that the Company had balances in excess of £800,000 in March 2023. 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.

Our application of materiality

Materiality is a key concept in the context of an audit. In providing an opinion on whether the financial statements give a 'true and fair' view, we are providing an opinion on whether the financial statements as a whole are free from material misstatement whether due to fraud or error.

Materiality is an expression of the relative significance of a particular matter in the context of the financial statements as a whole. An item, either individually or in aggregate, is considered material if omitting it or misstating it could reasonably be expected to influence decisions that users make on the basis of an entity's financial statements. Materiality has both quantitative and qualitative characteristics. It depends on the size or nature of the item or error judged in the particular circumstances of its omission or misstatement.

Materiality measure	Amount	Key considerations and benchmarks
3% of net assets	**£23,220**	The materiality was determined on the basis of approximately 3% of net assets. The net assets were considered to be an appropriate basis as Aura Renewable Acquisitions Plc is a non-trading holding company which holds significant cash balances and has not yet completed an acquisition.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce the risk that the aggregated uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole to an acceptably low level. Performance materiality was set at £16,250, being 70% of materiality for the financial statements as a whole. The performance materiality threshold was considered to be sufficient to provide coverage of significant and residual risks to the balances within the financial statements representing risk areas and those that require management judgements and estimates including valuation of the warrants.

We applied the concept of materiality both in planning and performing our audit, and in evaluating the impact of misstatements.

Materiality is reassessed throughout the audit. The materiality threshold for the Company has increased since the audit planning stage. We have agreed with the Audit Committee that we would report to the committee all individual audit differences in excess of £1,160, as well as differences below these thresholds that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Our approach to the audit

Our audit approach was developed by obtaining an understanding of the Company's activities and the overall control environment. Based on this understanding, we assessed those aspects of the Company's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. We looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. We identified what we considered to be key audit matters in the next section and planned our audit approach accordingly. We applied the concept of materiality both in planning and performing our audit, and in evaluating the impact of misstatements as explained in the previous section.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) we identified, including 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.

Key Audit Matter	How our scope addressed this matter
Valuation of warrants [refer to Note 9 and accounting policy 2(i)]	
The Company issued warrants to directors and brokers in exchange for services rendered. The Company also issued warrants to investors and a founder shareholder, although these were not in exchange for services rendered. **The warrants issued in exchange for services rendered are measured at fair value on the date of**	Our work on this area included: • Obtaining and reviewing management's valuation of the warrants in respect of the fair value estimates per the Black Scholes model, and challenging key assumptions where applicable; • Recalculating the fair value per the Black Scholes model;

the grant using an appropriate option pricing model and expensed in the Statement of Comprehensive Income on a straight-line basis over the vesting period or entirely at the grant date if they vest immediately. **There is a risk that an inappropriate option pricing model (valuation) has been used based on the terms of the issue, and further, that inputs to the models are inappropriate, and therefore the valuation of the director and broker warrants might be materially misstated and not in accordance with IFRS 2 *Share-based payment*.** **Given the management estimation and judgement involved, the valuation of warrants is considered to be a key audit matter.**	• Obtaining and reviewing the warrants documentation and noting the key contractual terms regarding exercise price and vesting conditions; • Ensuring accounting entries made in respect of these warrants are in accordance with IFRS 2; and • Ensuring disclosures in the financial statements are complete and in line with IFRS 2.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 and the part of the directors' remuneration report to be audited 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, 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 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.

Auditor's 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 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:

- We obtained an understanding of the Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector. This is evidenced by discussion of laws and regulations with the management, reviewing minutes of meetings of those charged with governance, and RNSs and review of legal or professional expenditures.

- We determined the principal laws and regulations relevant to the Company in this regard to be those arising from:
  - FCA Rules;
  - UK-adopted international accounting standards; and
  - Companies Act 2006.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management;
  - Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
  - Reviewing minutes of meetings of those charged with governance and RNS announcements; and
  - Review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that a potential management bias was identified in relation to the valuation of warrants (refer to key audit matter section). We addressed the risk of bias by challenging the key assumptions and judgements made by management in this area.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias (refer to key audit matter section); and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Other matters which we are required to address

We were appointed by the Audit Committee on 10 January 2023 to audit the financial statements for the period ended 31 December 2022 and subsequent financial periods. Our total uninterrupted period of engagement is 1 period, covering the period from incorporation to 31 December 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

We performed a review of interim financial information (period from incorporation up to 30 June 2022) of the Company.

Our audit opinion is consistent with the additional report to the audit committee.

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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date:

Statement of Comprehensive Income
for the Period from incorporation on 4 November 2021 to 31 December 2022

	Note	Period ended 31 December 2022 £
Revenue		-
Administrative expenses	4	(236,249)
Operating loss		(236,249)
Finance costs		-
Loss before taxation		(236,249)
Income tax	5	-
Total comprehensive loss for the period attributable to the equity holders		**(236,249)**
Basic and diluted earnings per ordinary share attributable to the equity holders (£)	6	(0.035)

There are no items of other comprehensive income. All activities relate to continuing operations.

The notes to the financial statements on pages 36 to 47 form an integral part of these financial statements.

Statement of Financial Position
as at 31 December 2022

	Note	At 31 December 2022 £
ASSETS		
Current assets		
Cash and cash equivalents	7	809,472
Other receivables - prepayments		5,697
Total assets		**815,169**
LIABILITIES		
Current liabilities		
Accruals		35,400
Total liabilities		**35,400**
EQUITY		
Equity attributable to owners		
Ordinary share capital	8	150,000
Share premium	8	855,000
Share-based payment reserve	9	11,018
Retained losses		(236,249)
Total equity attributable to Shareholders		**779,769**
Total equity and liabilities		**815,169**

The notes to the financial statements on pages 36 to 47 form an integral part of these financial statements**.**

This report was approved by the Board of Directors and authorised for issue on 4 April 2023 and signed on its behalf by:

………………………………
Guy Ranawake
Director

Registered number: 13723431

Statement of Changes in Equity
for the Period ended 31 December 2022

	Ordinary share capital £	Share premium £	Share-based payment reserve £	Retained earnings £	Total equity £
Balance at incorporation	-	-	-	-	-
Loss for the period	-	-	-	(236,249)	(236,249)
Total comprehensive loss for the period	**-**	**-**	**-**	**(236,249)**	**(236,249)**
Transactions with owners in the period					
Issue of ordinary shares	150,000	900,000	-	-	1,050,000
Share issue costs	-	(45,000)	-	-	(45,000)
Share-based payment charges	-	-	11,018	-	11,018
Total transactions with owners	**150,000**	**855,000**	**11,018**	**-**	**1,016,018**
At 31 December 2022	**150,000**	**855,000**	**11,018**	**(236,249)**	**779,769**

The notes to the financial statements on pages 36 to 47 form an integral part of these financial statements.

Statement of Cash Flows
for the Period ended 31 December 2022

	Period ended 31 December 2022 £
Cash flows from operating activities	
Loss before income tax	(236,249)
Increase in prepayments	(5,697)
Increase in payables	35,400
Share-based payment charges	11,018
Net cash flow used in operating activities	**(195,528)**
Cash flows from financing activities	
Net proceeds from issue of ordinary shares	1,005,000
Net cash inflow from financing activities	**1,005,000**
Net increase in cash and cash equivalents	**809,472**
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	**809,472**

No net debt reconciliation is provided as the Company has no debt.

The notes to the financial statements on pages 36 to 47 form an integral part of these financial statements.

Notes to the Financial Statements

1. General information

The Company was incorporated on 4 November 2021 as Aura Renewable Acquisitions Plc in England and Wales with company number 13723431 under The Companies Act 2006.

The address of its registered office is 5 Chancery Lane, London, WC2A 1LG.

The principal activity of the Company is to act as the holding company for various target businesses operating in the Global Renewable Energy Sector Supply Chain.

The entire issued ordinary share capital of 10,500,000 ordinary shares of £0.01 each was admitted to listing on the standard segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of London Stock Exchange plc under the TIDM "ARA" on 8 April 2022.

2. Accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

a) Basis of preparation

The Financial Statements are presented in £ unless otherwise stated which is the Company's functional and presentational currency. The business is not currently subject to seasonal variations.

The 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 using the historical cost basis. No fair value adjustments have been applied in the preparation of the Financial Statements.

The financial statements are presented in British Pounds Sterling, the currency of the primary economic environment in which the Company operates and its functional currency.

b) Standards and interpretations issued but not yet applied

New standards, amendments to standards and interpretations:

During the financial period, the Company has adopted the following new IFRSs (including amendments thereto) that became effective for the first time.

- Annual Improvements to IFRS Standards 2018-2020 Cycle (effective 1 January 2022)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS

These standards did not have a significant effect on the Company.

Notes to the Financial Statements (continued)

c) Standards and interpretations in issue but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows:

- Practice Statement 2: Disclosure of Accounting Policies (effective 1 January 2023)
- Amendments to IA 8: Accounting policies, changes in accounting estimates and errors – definition of accounting estimates (effective 1 January 2023)
- Amendments to IAS 12: Income Taxes – Deferred tax arising from a single transaction (effective 1 January 2023)
- Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (effective date to be confirmed)
- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current (effective date to be confirmed)

The Directors do not anticipate the adoption of any of these standards issued by IASB, but not yet effective, to have a material impact on the financial statements of the Company.

d) Going concern

The financial statements are required to be prepared on the going concern basis unless it is inappropriate to do so.

The Directors report that they have assessed the principal risks, reviewed current performance and projections, combined with expenditure commitments, including capital expenditure. The Company's projections demonstrate it will have sufficient cash reserves to enable it to meet its obligations as they fall due, for a period of at least 12 months from the date of signing of these financial statements. Accordingly, the Directors consider the Company to be a going concern.

The financial position of the Company, its cash flows and liquidity position are set out in these financial statements. As at 31 December 2022, the Company had cash and cash equivalents of £809,472.

The Company has prepared monthly cash flow projections based on estimates of key variables to expenditure through to June 2024 that supports the conclusion of the Directors that they expect sufficient funding to be available to meet the Company's anticipated cash flow requirements to this date.

e) Comparative figures

No comparative figures have been presented as the Financial Statements cover the period from incorporation on 4 November 2021 to 31 December 2022.

Notes to the Financial Statements (continued)

f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The chief decision-maker believes that the Company's continuing operations comprise one segment being identifying and acquiring investment projects. The financial information therefore of the single segment is the same as that set out in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

g) Taxation

Tax currently payable is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the Financial Statements (continued)

h) Financial instruments

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Derecognition

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Receivables

Receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

Cash and cash equivalents

The Company considers any cash on short-term deposits and other short-term investments to be cash equivalents.

The Company considers the credit ratings of banks in which it holds funds in order to reduce its exposure to credit risk. The Company will only keep its holdings of cash and cash equivalents within institutions which have a strong credit rating.

Trade and other payables

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable.

i) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Notes to the Financial Statements (continued)

Ordinary shares are classified as equity.

- Share capital account represents the nominal value of the shares issued.
- The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.
- The share-based premium reserve arises from the requirement to value share warrants in existence at the period end at fair value.
- Retained earnings comprise cumulative results as disclosed in the Statement of Comprehensive Income.

j) Equity-settled transactions (share-based payments)

Equity settled share-based payments are measured at fair value at the date of issue.

During the period, the Company issued share warrants to certain advisers as part of their fees as well as to directors.

Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured using the Black-Scholes option pricing model.

k) Earnings per share

Basic earnings per share is calculated by dividing:

- The profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than Ordinary Shares;
- By the weighted average number of Ordinary Shares outstanding during the financial period.

3. Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities. Estimates and judgements are continually evaluated, including expectations of future events to ensure these estimates to be reasonable. With the exception of going concern, the Directors consider that there are no critical accounting judgements or estimates relating to the financial information of the Company.

Notes to the Financial Statements (continued)

4. Operating expenses by nature

	Period ended 31 December 2022
Administrative expenses	**£**
Legal and professional costs	94,138
LSE fees	41,323
Other regulatory costs	17,092
Website costs	10,422
Company secretarial	11,814
Audit fee	30,000
Company set-up	492
Share-based payment charged (Note 8)	11,018
Other expenses	19,950
Total administrative expenses	**236,249**

None of the directors received any remuneration during the period.

5. Taxation

The Company has made no provision for taxation as it has not yet generated any taxable income. A reconciliation of income tax expense/(credit) applicable to the loss before taxation at the statutory tax rate to the income tax expense/(credit) at the effective tax rate of the Company is as follows:

	Period ended 31 December 2022
	£
Loss before taxation	(236,249)
Tax calculated at the statutory rate of 19%	(44,887)
Disallowable expenditure	1,140
Tax effects of:	
Unrecognised tax losses	43,747
Tax expense/(credit)	-

The UK Government enacted changes to the UK tax rate in 2020, resulting in the rate remaining at 19% (instead of the previously intended reduction from 19% to 17%). In the 2021 Budget, the UK Chancellor announced that legislation would be proposed to increase the main rate of corporation tax to 25% from 1 April 2023.

Tax has been calculated based on the rate of 19% which was effective for the period. The taxation charge in future periods will be affected by any changes to the corporation tax rates in force in the

Notes to the Financial Statements (continued)

countries in which the Company operates. As at 31 December 2022, the Company had estimated unutilised tax losses of approximately £230,000 available for relief against future profits. No related deferred tax asset has been provided for in the accounts based on the uncertainty as to when profits will be generated against which to relieve said asset.

6. Earnings per share

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

Diluted earnings per share is calculated by dividing earnings by the weighted average number of shares in issue and potential dilutive shares outstanding during the period.

Because the Company was in a net loss position, diluted loss per share excludes the effects of ordinary share equivalents consisting of warrants, which are anti-dilutive.

	Period ended 31 December 2022		
Basic and diluted EPS	**Earnings £**	**Weighted average number of shares**	**Per-share amount £**
Loss attributable to shareholders	(236,249)	6,790,095	(0.035)

7. Cash and cash equivalents

	At 31 December 2022 £
Cash at bank	809,472
Cash in hand	-
	809,472

Notes to the Financial Statements (continued)

8. Share capital and share premium

	Number of Ordinary Shares	Number of Deferred Shares	Ordinary Shares £
On incorporation (Ordinary Shares of £1.00 each)	1	-	1
Issue of Ordinary Shares of £1.00 each	49,999	-	49,999
Share conversion	500,000	45,000	50,000
Subscription for Ordinary Shares of £0.01 each	1,000,000	-	10,000
Placing of Ordinary Shares of £0.01 each	9,000,000	-	90,000
At 31 December 2022	**10,500,000**	**45,000**	**150,000**

Share capital

On incorporation, the Company issued one ordinary share of £1 at par for a cash consideration of £1.

On 30 November 2021, 49,999 ordinary shares of £1 in the capital of the Company were subscribed for and allotted at par for a cash consideration of £49,999. The proceeds from the allotment of these shares were received on 1 December 2021.

On 25 January 2022, by a shareholder's resolution, the 50,000 ordinary shares of £1.00 in issue were converted into 500,000 Ordinary Shares of £0.01 each and 45,000 non-voting deferred shares of £1 each.

On 25 January 2022, a loan agreement was entered into between the Company and Harmony Capital Investments Limited, under which Harmony Capital Investments Limited agreed to lend up to £100,000 to the Company on an interest free basis.

Harmony Capital Investments Limited agreed to subscribe for 1,000,000 Ordinary Shares of £0.01 each for an aggregate subscription price of £100,000, creating a share premium of £90,000, satisfied by the release of the Company's obligation to repay such loan, conditional only on Admission taking place on or before 29 April 2022. The subscription for shares was completed on 7 April 2022. By subscribing for the subscription shares, Harmony Capital Investments Limited was entitled to be issued with 1,500,000 Freely Transferable Warrants and 1,050,000 Founder Shareholder Warrants upon Admission.

Notes to the Financial Statements (continued)

On 7 April 2022, the Company completed a placing of 9,000,000 Ordinary Shares of £0.01 each for a cash consideration of £900,000, creating a share premium of £810,000.

The Deferred Shares do not entitle holders to receive any dividend or other distribution or to receive notice of or speak or vote at general meetings of the Company and are not freely transferrable. The Company has the right at any time to purchase all of the Deferred Shares in issue for an aggregate consideration of £1.

9. Warrants

The Company granted a total of 12,780,000 unlisted Warrants, on Admission, in relation to the share capital of the Company as follows:

i) "Freely Transferable Warrants'' granted to Investors subscribing for New Ordinary Shares under the placing and to Harmony Capital under the terms of the Shareholder Loan Agreement on the basis of one Freely Transferable Warrant for every one Existing Ordinary Share and New Ordinary Share subscribed for. No consideration was payable for the issue of these Warrants. Each Freely Transferable Warrant enables the holder to subscribe for one Ordinary Share for 15 pence (a 50 per cent. premium to the Issue Price). These Freely Transferable Warrants are freely transferable and may be held and dealt with separately from the Ordinary Shares subscribed for and are exercisable for a period of 3 years following Admission. Up to 10,500,000 Ordinary Shares in aggregate may be subscribed for under the Freely Transferable Warrants, equal to 100 per cent. of the Enlarged Issued Ordinary Share Capital;

ii) "Director Warrants'', granted to Directors at the discretion of the Nomination and Remuneration Committee for no consideration. Each Director Warrant enables the holder to subscribe for one Ordinary Share for 15 pence. The Director Warrants will vest on the completion of the first Acquisition and will be exercisable during the period of 3 years from the vesting date. The Director Warrants are freely transferable, provided that they may not be transferred during the period of the holder's appointment as Director or, if longer, during the period up to completion of the first Acquisition. Should a Director resign within 12 months of Admission, they will forfeit their Director Warrants, which will be reallocated between the Directors by the Board. Up to 1,050,000 Ordinary Shares in aggregate may be subscribed for under the Director Warrants, equal to 10 per cent. of the Enlarged Issued Ordinary Share Capital;

iii) "Broker Warrants", granted to Shard Capital as part of its consideration for arranging the Placing, in an aggregate number equal to 2 per cent. of the total number of Placing Shares subscribed for under the Placing. Each Broker Warrant enables the holder to subscribe for one Ordinary Share for 15 pence (a 50 per cent. premium to the Issue Price). These Broker Warrants are exercisable for a period of 3 years following Admission and are freely transferable. Up to 180,000 Ordinary Shares in aggregate may be subscribed for under the Broker Warrants, equal to approximately 1.7 per cent. of the Enlarged Issued Ordinary Share Capital; and

Notes to the Financial Statements (continued)

iv) "Founder Shareholder Warrants", granted to Harmony Capital as founder shareholder of the Company under the terms of the Shareholder Loan Agreement. No consideration is payable for the issue of these Warrants. Each Founder Shareholder Warrant enables the holder to subscribe for one Ordinary Share at a price of one pence per Ordinary Share. These Founder Shareholder Warrants will vest on satisfaction of the following conditions: (a) the first Acquisition has been completed; and (b) the 30-day Volume Weighted Average Price of the Company's Ordinary Shares exceeds £0.15 per share at any time. The Founder Shareholder Warrants are exercisable for a period of 3 years following the vesting date and are freely transferable from the date the first Acquisition has been completed. Up to 1,050,000 Ordinary Shares in aggregate may be subscribed for under the Founder Shareholder Warrants, equal to 10 per cent. of the Enlarged Issued Ordinary Share Capital.

Using the Black-Scholes pricing model, the fair value of the Director Warrants and Broker Warrants has been calculated at 1.56 pence each, giving rise to an aggregate expense for the period of £11,018.

No warrants were exercised in the period ended 31 December 2022, and accordingly all 12,780,000 warrants remained outstanding. The inputs in the model were as follows:

Director Warrants and Broker Warrants:

- Share price: 10.0 pence
- Exercise price: 15.0 pence
- Expected life of warrant: 3 years
- Risk-free rate: 1.76%
- Volatility: 40.0%

10. Financial instruments

The Company's principal financial instruments comprise cash and cash equivalents and trade and other payables. The Company'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 2. The Company does not use financial instruments for speculative purposes.

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

	As at 31 December 2022 £
Financial assets at amortised cost	
Cash and cash equivalents	809,472
	809,472

Notes to the Financial Statements (continued)

Financial liabilities at amortised cost	
Trade payables and accruals	35,400

a) Financial risk management objectives and policies

The Company's major financial instruments include bank balances and amounts payable to suppliers. The risks associated with these financial instruments, and the policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Company has no foreign currency transactions or borrowings. Therefore, it is not exposed to market risk in respect of foreign exchange risk or interest risk.

Risk management is undertaken by the Board of Directors.

b) Liquidity risk

Liquidity risk arises from the Company's management of working capital.

The Company regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Directors have considered the liquidity risk as part of their going concern assessment (see Note 2). Controls over expenditure are carefully managed in order to maintain its cash reserves whilst it targets a suitable transaction. Financial liabilities are all due within one year.

c) Credit risk

The Company's credit risk is wholly attributable to its cash balance. The credit risk from its cash and cash equivalents is limited because the counter parties are banks with high credit ratings and have not experienced any losses in such accounts.

d) Interest risk

The Company's exposure to interest rate risk is the interest received on the cash held, which is immaterial.

e) Capital risk management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The Company has no borrowings. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Notes to the Financial Statements (continued)

The Company monitors capital on the basis of the total equity held being £774,769 as at 31 December 2022.

f) Fair value of financial assets and liabilities

There are no material differences between the fair value of the Company's financial assets and liabilities and their carrying values in the financial information.

11. Subsequent events

No events subsequent to 31 December 2022 have occurred which require disclosure in these financial statements.

12. Related party transactions

a. On incorporation on 4 November 2021, the Company issued 1 ordinary share of £1 at par value to Suresh Withana. This share was transferred to Harmony Capital Investments Limited, a company wholly owned by Suresh Withana, on 29 November 2021.

b. On 30 November 2021, the Company issued 49,999 ordinary shares of £1 at par value to Harmony Capital Investments Limited.

c. Harmony Capital Investments Limited subscribed for 1,000,000 Ordinary Shares of £0.01 each on 7 April 2022, as described in Note 9.

d. During the period, the Company reimbursed expenses totalling £537 incurred on behalf of the Company by John Croft and £813 by Robin Stevens.

13. Ultimate controlling party

At 31 December 2022, the Company did not have any single identifiable controlling party.

14. Capital commitments

As at 31 December 2022, the were no capital commitments entered into by the Company.

15. Contingent liabilities

As at 31 December 2022, the were no contingent liabilities.