

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**ORIGAMI ENERGY LIMITED**

**YEAR ENDED 30 JUNE 2022**

**REGISTERED NUMBER 08619644**



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**ORIGAMI ENERGY LIMITED**

**COMPANY INFORMATION**

**DIRECTORS:**

Peter Bance  
Simon King  
Nicholas Emery  
Andrew Williamson  
Margaret Rice-Jones  
Peter Simmonds  
Steven Poulter

**COMPANY SECRETARY:**

Matthew Kendall

**REGISTERED OFFICE:**

Unit 205  
Cambridge Science Park  
Milton Road  
Cambridge CB4 0GZ

**REGISTERED NUMBER:**

08619644 (England and Wales)

**INDEPENDENT AUDITORS:**

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditor  
101 Cambridge Science Park  
Milton Road  
Cambridge  
Cambridgeshire  
CB4 0FY

## **ORIGAMI ENERGY LIMITED**

### **STRATEGIC REPORT**

The directors present their Strategic Report on the company for the year ended 30 June 2022.

### **PRINCIPAL ACTIVITIES**

The company develops and operates software technology which monitors, communicates and controls existing industrial and commercial energy-generating, energy-using and energy-storing assets so they can be used to increase the marginal capacity of the electricity network (known as “flexibility”) and improve the security of supply as well as enabling more renewables to be connected to the grid.

### **REVIEW OF BUSINESS**

During the year, the company continued to invest in the research, development and commercialisation of technology to enable the control and management of distributed energy assets including generation, storage and demand.

The company’s contracts with customers are not linked to the wholesale price of energy. As such, the volatility in the energy market is not expected to have a significant direct impact on the company’s performance.

In June 2022 the company outsourced delivery of its remaining obligations under certain consultancy agreements to a third party whilst retaining ultimate responsibility to the end customer. As part of the arrangement two employees were TUPEd to this third party.

The results for the company for the year show a turnover of £1,225,072 (2021: £1,283,024) with a loss before tax of £6,589,776 (2021: £8,030,908).

### **RISKS AND UNCERTAINTIES**

The principal risks and uncertainties that the company face include potential changes to the regulatory environment, the overall health and growth of the energy sector (and in particular, the size and value of flexibility), health & safety and the company’s ability to raise further funding required to support its working capital needs. In addition, Brexit may also impact the company’s ability to attract world-class talent.

The Covid-19 pandemic has not impacted the company’s ability to continue to develop its software platform nor meet its existing commercial commitments. The pandemic has brought increased global focus on the need for renewable energy sources and the directors believe this will benefit the company in the long term.

The company’s risk appetite is set by the Board. The company is committed to good governance appropriate for a company of its size and control in order to run its business effectively and ensure that it can manage the risk appropriately. The company has undertaken activities in the past year to ensure effective measures are in place to prevent such uncertainties from significantly impacting the operations of the business. The principal risks and uncertainties are reviewed by the Board every month and when risks are judged to be severe impact and high likelihood a mitigation plan is put in place.

**This report was approved by the board of directors and signed on behalf of the board by:**

*Peter Bance*

.....  
Peter Bance (Director)

18/11/2022

**ORIGAMI ENERGY LIMITED****DIRECTORS' REPORT**

The directors present their report with the audited financial statements of the company for the year ended 30 June 2022.

The financial statements have been prepared under FRS 102.

**POST BALANCE SHEET EVENTS**

There are no post balance sheet events.

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

A qualifying third party indemnity provision as defined in section 232(2) of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law, throughout the financial year and to the date of approval of the financial statements.

**DIVIDENDS**

No dividends were paid during the year (2021: £nil).

**DIRECTORS**

The directors shown below have held office during the year and up to the date of this report.

Peter Bance  
Simon King  
Nicholas Emery  
Andrew Williamson  
Margaret Rice-Jones  
Peter Simmonds  
Steven Poulter

**FINANCIAL RISK MANAGEMENT**

The directors have considered the need to disclose financial risks material to the company. At this stage in the company's development, the directors are of the opinion that there are no material price, credit or interest rate risks.

**RESEARCH AND DEVELOPMENT**

Origami Energy Limited is developing and commercialising ground-breaking technology which will monitor, communicate with and control existing industrial and commercial energy-generating, energy-using and energy-storing assets so that they can be used to increase the marginal capacity of the electricity network, improve the security of supply and reduce carbon emissions enabling more renewables to be connected to the grid. This new technology continues to go beyond the current state of knowledge in the industry and the technology has now been deployed into the field for revenue generating activities. Whilst the present deployment means that the company focus is no longer 100% on research and development, there is still considerable innovative activity aimed at overcoming uncertainty, particularly around automation and optimisation of the system.

**ORIGAMI ENERGY LIMITED****DIRECTORS' REPORT (CONTINUED)****GOING CONCERN**

The Financial Statements have been prepared on the going concern basis which assumes that company will continue in operational existence for the foreseeable future.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure of information to auditors**

The directors confirm that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**INDEPENDENT AUDITORS**

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at a future board meeting.

**This report was approved by the board of directors and signed on behalf of the board by:**

*Peter Bance*

.....  
Peter Bance (Director)

18/11/2022

**ORIGAMI ENERGY LIMITED****Independent auditor's report to the members of Origami Energy Limited****Opinion**

We have audited the financial statements of Origami Energy Limited (the 'company') for the year ended 30 June 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for 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, 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**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year 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.

## Matter on which we are required to report under the Companies Act 2006

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.

## Matters on which we are required to report by exception

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 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 for the financial statements

As explained more fully in the directors' responsibilities statement, 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*  
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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that most applicable to the group and determined that the most significant are those that relate to the operational environment, the financial reporting framework (FRS102 and Companies Act 2006) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations that may have effect on the determination of the amounts and disclosures in the financial statements, including laws and regulations relating to employment matters and data security and protection.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by asking inquiries of management and the audit committee concerning the Company's policies and procedures relating to:

Identification, evaluation and compliances with laws and regulations;

The detection and response to the risk of fraud; and

The establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We corroborated our inquiries through review of board minutes.

- We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. Management have not communicated to the audit team any matters of non-compliance with laws, regulations, or fraud and no such matters were identified by the audit team. We corroborated this through our review of board minutes and professional fees incurred during the year;
- We assessed the susceptibility of the company's financial statements to material misstatement including how fraud might occur. Audit procedures included:

Identifying and assessing the design effectiveness of management's controls designed to prevent and detect irregularities;

Challenging assumptions and judgements made by management in its evaluation of accounting estimates;

Identifying and testing journal entries, in particular any large or unusual journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and

Assessing the extent of compliance with certain significant laws and regulations that may have an effect on the determination of the accounts and disclosures in the financial statements.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective capabilities of the engagement team included the consideration of the engagement team's understanding and experience of, and practical experience with engagements of a similar nature and complexity including appropriate training.
- It is the engagement partner's assessment that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert of any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We completed audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.

### 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.

*Grant Thornton UK LLP*

Paul Brown  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cambridge  
18/11/2022

**ORIGAMI ENERGY LIMITED****STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Year ended 30 June 2022 £	Year ended 30 June 2021 £
<b>TURNOVER</b>	5	1,225,072	1,283,024
Cost of sales		(58,256)	(79,500)
<b>GROSS PROFIT</b>		<b>1,166,816</b>	<b>1,203,524</b>
Administrative expenses		(7,790,796)	(7,500,494)
Other operating income		-	35,285
<b>OPERATING LOSS</b>	6	<b>(6,623,980)</b>	<b>(6,261,685)</b>
Interest receivable and similar income		34,262	35
Interest payable and similar charges	9	(58)	(1,769,258)
<b>LOSS BEFORE TAXATION</b>		<b>(6,589,776)</b>	<b>(8,030,908)</b>
Tax on loss	10	743,652	710,658
<b>LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE LOSS</b>		<b>(5,846,124)</b>	<b>(7,320,250)</b>

The Company has no other comprehensive income or expenditure.

The notes on pages 14 to 25 are an integral part of these financial statements.

**ORIGAMI ENERGY LIMITED****BALANCE SHEET**  
**AS AT 30 JUNE 2022**

	Note	As at 30 June 2022 £	As at 30 June 2021 £
<b>FIXED ASSETS</b>			
Tangible assets	11	<u>166,672</u>	<u>196,079</u>
		<b>166,672</b>	<b>196,079</b>
<b>CURRENT ASSETS</b>			
Debtors	12	1,460,653	1,205,040
Cash at bank and in hand		<u>13,659,036</u>	<u>19,264,896</u>
		<b>15,119,689</b>	<b>20,469,936</b>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	<u>(674,261)</u>	<u>(785,166)</u>
<b>NET CURRENT ASSETS</b>		<u><b>14,445,428</b></u>	<u><b>19,684,770</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>14,612,100</b></u>	<u><b>19,880,849</b></u>
<b>NET ASSETS</b>		<u><b>14,612,100</b></u>	<u><b>19,880,849</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	648	647
Share premium account	16	56,131,221	56,094,505
Other reserve	16	1,696,382	1,696,382
Share based payments	16	3,513,035	2,972,377
Retained earnings	16	<u>(46,729,186)</u>	<u>(40,883,062)</u>
<b>TOTAL EQUITY</b>		<u><b>14,612,100</b></u>	<u><b>19,880,849</b></u>

The notes on pages 14 to 25 are an integral part of these financial statements.

The financial statements on pages 10 to 25 were authorised for issue by the Board of Directors on \_\_\_\_\_ and  
were signed on its behalf by:

*Peter Bance*

.....  
Peter Bance  
Director

Registration number 08619644  
18/11/2022

**ORIGAMI ENERGY LIMITED****STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**

2022	Note	Called up share capital	Share premium	Other reserve	Share based payments reserve	Retained earnings	Total
		£	£	£	£	£	£
<b>Opening Balance at 1 July 2021</b>		647	56,094,505	1,696,382	2,972,377	(40,883,062)	19,880,849
Loss for the year		-	-	-	-	(5,846,124)	(5,846,124)
<b>Total comprehensive loss</b>		-	-	-	-	(5,846,124)	(5,846,124)
Issue of shares		1	36,716	-	-	-	36,717
Share based payments	8	-	-	-	540,658	-	540,658
<b>Total transactions with owners</b>		1	36,716	-	540,658	-	577,375
<b>Total change in equity</b>		1	36,716	-	540,658	(5,846,124)	(5,317,819)
<b>Closing Balance at 30 June 2022</b>		648	56,131,221	1,696,382	3,513,035	(46,729,186)	14,612,100
<b>2021</b>	<b>Note</b>	<b>Called up share capital</b>	<b>Share premium</b>	<b>Other reserve</b>	<b>Share based payments reserve</b>	<b>Retained earnings</b>	<b>Total</b>
		£	£	£	£	£	£
<b>Opening Balance at 1 July 2020</b>		488	36,297,131	-	2,463,665	(33,562,812)	5,198,472
Loss for the year		-	-	-	-	(7,320,250)	(7,320,250)
<b>Total comprehensive loss</b>		-	-	-	-	(7,320,250)	(7,320,250)
Issue of shares		111	15,500,094	-	-	-	15,500,205
Share issue costs		-	(775,000)	-	-	-	(775,000)
Conversion of loan note		48	5,072,280	1,696,382	-	-	6,768,710
Share based payments	8	-	-	-	508,712	-	508,712
<b>Total transactions with owners</b>		159	19,797,374	1,696,382	508,712	-	22,002,627
<b>Total change in equity</b>		159	19,797,374	1,696,382	508,712	(7,320,250)	14,682,377
<b>Closing Balance at 30 June 2021</b>		647	56,094,505	1,696,382	2,972,377	(40,883,062)	19,880,849

**ORIGAMI ENERGY LIMITED****STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 £	2021 £
<b>Net cash from Operating Activities</b>	20	<b>(6,352,101)</b>	<b>(5,593,798)</b>
Taxation received		710,658	694,115
With-holding tax paid		(5,418)	-
		<hr/>	<hr/>
<b>Net cash used in Operating Activities</b>		<b>(5,646,861)</b>	<b>(4,899,683)</b>
<b>Cash flow from Investing Activities:</b>			
Purchase of Tangible Assets		(30,525)	(6,574)
Proceeds from disposal of tangible fixed assets		605	50
Interest received		34,262	35
Interest payable		(58)	(547)
		<hr/>	<hr/>
<b>Net Cash generated from Investing Activities</b>		<b>4,284</b>	<b>(7,036)</b>
<b>Cash flow from Financing activities:</b>			
Proceeds on issue of convertible debt		-	5,000,000
Proceeds on issue of shares		-	15,499,988
Share issue costs		-	(775,000)
Proceeds on share option exercise		36,717	216
		<hr/>	<hr/>
<b>Net Cash generated from Financing Activities</b>		<b>36,717</b>	<b>19,725,204</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(5,605,860)</b>	<b>14,818,485</b>
Cash and cash equivalents at the start of the year		19,264,896	4,446,411
Cash and cash equivalents at the end of the year		<b>13,659,036</b>	<b>19,264,896</b>
Cash and cash equivalents consists of:			
Cash at bank and in hand		13,659,036	19,264,896
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>13,659,036</b>	<b>19,264,896</b>
		<hr/> <hr/>	<hr/> <hr/>

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

Origami Energy Limited ('the Company') operates in the UK. The principal activity of the Company is the development and commercialisation of technology to enable the control and management of distributed energy assets.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is Unit 205, Cambridge Science Park, Milton Road, Cambridge CB4 0GZ.

**2. STATEMENT OF COMPLIANCE**

The financial statements of Origami Energy Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of preparation**

These Company financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, being Financial Reporting Standard 102 (FRS 102).

**Going Concern**

The Company incurred a loss after tax of £5,895,194 for the year ended 30 June 2022 (2021: £7,320,250). Losses are expected to continue as the Company continues to invest in the commercialisation of its technology.

The directors have considered the latest forecasts and reasonably possible variances including sensitivity analysis. Based on their finding the directors are confident that the cash on hand at the date of approval of the financial statements is sufficient for the Company to continue in operational existence for the period of at least 12 months after the date of signing these financial statements. Accordingly the directors have assessed that it is appropriate that these financial statements are prepared on a going concern basis.

**Foreign Currency****i. Functional and presentation currency**

The Company's financial statements are presented in pound sterling. The Company's functional and presentation currency is the pound sterling.

**ii. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. All foreign exchange gains and losses are presented in the profit and loss account.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****3. SIGNIFICANT ACCOUNTING POLICIES - continued****Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

**Electricity flexibility services**

The Company earns revenue from providing electricity flexibility to major electricity system players. Revenue is recognised on a monthly basis at a fixed rate for electricity flexibility that is made available to customers.

**Platform revenue**

The Company earns revenue from providing technology solutions to major electricity system players via licence fee agreements. Revenue from these contracts is recognised over the period to which the licence relates.

**Other revenue**

The Company also earns revenue from consultancy and project management services. Revenue from these services is recognised in accordance with agreed milestones.

**Employee benefits****i. Short-term benefits**

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

**ii. Defined contribution pension plans**

The Company operates a defined contribution plans for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**iii. Share-based payments**

Equity-settled arrangements are measured at fair value (excluding the effect on nonmarket based vesting conditions) at the date of the grant. The share option vest in tranches determined at the date of grant and the fair value is expensed over the vesting period of the respective tranche. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

**Taxation****i. Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

**ii. Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****3. SIGNIFICANT ACCOUNTING POLICIES – continued****Tangible fixed assets**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the assets to its working condition for its intended use. Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life:

Hardware and Lab equipment	3 years
Office equipment	3 years
Office fit out costs	Over term of lease
Energy Routers	15 years

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Financial instruments**

The company enters only into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors with the exception of a convertible loan note.

***Basic instruments***

Assets and liabilities are measured initially and subsequently at the undiscounted value of cash consideration expected to be paid or received.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

***Convertible loan note***

The convertible loan note is a compound non-basic financial instrument measured at fair value and recognised as debt, with fair value adjustments recognised in the profit or loss.

On conversion, the debt is credited to share capital, share premium and other reserves as appropriate, with no gain or loss recognised.

***Share issue costs***

Cost that are directly attributable to the issue of share capital are debited to share premium. All other costs are included in the profit and loss account.

***Other income - Government Grants***

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****4. ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Share based payments**

The share based payments charge is calculated in accordance with FRS 102 using the Black-Scholes valuation model. The key judgement made by management is in relation to the volatility of the share price. As there is no readily available market for the company's shares, management has estimated the volatility rate based on a range of comparable public companies.

**Convertible debt**

The valuation of the convertible debt issued is dependent on the market rate of interest under which it was held. Given the nature of the loan notes, management consider 8% to be the appropriate estimate, being the interest rate held within the agreement.

**5. TURNOVER****Analysis of turnover by geography:**

	<b>Year ended 30 June 2022</b>	<b>Year ended 30 June 2021</b>
	£	£
United Kingdom	<u>1,225,072</u>	<u>1,283,024</u>

**Analysis of turnover by category:**

Platform revenue	703,770	608,897
Other	<u>521,302</u>	<u>674,127</u>
Total	<u>1,225,072</u>	<u>1,283,024</u>

**6. OPERATING LOSS**

The Company's operating loss is stated after charging/ (crediting):

	<b>Year ended 30 June 2022</b>	<b>Year ended 30 June 2021</b>
	£	£
(Profit)/ Loss on disposal of fixed assets	<u>(275)</u>	<u>1,338</u>
Fees payable to the Company's auditors	32,000	28,000
Tax advisory and compliance services	<u>9,546</u>	<u>6,336</u>
Total amount payable to the Company's auditors	<u>41,546</u>	<u>34,336</u>
Operating lease charge	<u>205,092</u>	<u>205,092</u>

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****7. STAFF COSTS**

The cost of staff employed was as follows:

	<b>Year ended 30 June 2022</b>	<b>Year ended 30 June 2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,071,316	4,520,100
Social security costs	460,875	504,624
Other pension costs	169,929	175,643
Share based payments	540,658	508,712
<b>Total</b>	<b>5,242,778</b>	<b>5,709,080</b>

**Employees**

The average monthly number of employees (including executive directors) employed by the company during the year was as follows:

	<b>Year ended 30 June 2022</b>	<b>Year ended 30 June 2021</b>
	<b>Number</b>	<b>Number</b>
Directors	3	3
Administration and operations	54	64
	<b>57</b>	<b>67</b>

**Directors**

The directors' emoluments were as follows:

	<b>Year ended 30 June 2022</b>	<b>Year ended 30 June 2021</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	305,822	305,728
Pension Contribution	11,400	11,400
	<b>317,417</b>	<b>317,128</b>

No share options were exercised in the year by the directors.

**Highest Paid Director**

The highest paid directors' emoluments were as follows:

	<b>Year ended 30 June 2022</b>	<b>Year ended 30 June 2021</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	155,707	155,614
Pension Contribution	6,200	6,200
	<b>162,103</b>	<b>161,814</b>

There were no termination payments for directors. No bonuses are due to directors. During the year, 2 directors (2021: 2) received pension contributions.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****8. SHARE BASED PAYMENTS**

The Company has an Enterprise Management Incentive share option scheme for all employees. The options vest over a period of three years from grant date subject to continued employment within the company. The option period commences from the grant date and ends on the date prior to the tenth anniversary of the grant date. A reconciliation of share option movements over the year to 30 June is shown below.

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>Number</b>	<b>Weighted average exercise price</b>	<b>Number</b>	<b>Weighted average exercise price</b>
		<b>£</b>		<b>£</b>
Opening Balance	383,667	1.77	398,918	1.76
Option granted	84,429	2.80	33,845	2.50
Options exercised	(17,747)	-	(270)	-
Options expired	(11,739)	-	(48,826)	-
Closing Balance	438,610	1.94	383,667	1.77

The fair value of the share options granted during the year is determined using the Black Scholes model. Relevant market assumptions have been used and the model is internationally recognised as being appropriate to value employee share options.

The Company issued 10,000 warrants to a Director on 28 June 2018. One third of these vest immediately on grant and the remaining two thirds vest 12 and 24 months from grant date respectively. The fair value of these warrants is also determined using the Black Scholes model and the same market assumptions as above.

The total charge for the year for share based payments was £540,658 (2021: £508,712).

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>Year ended 30 June 2022</b>	<b>Year ended 30 June 2021</b>
	<b>£</b>	<b>£</b>
Interest on convertible debt	-	72,876
Fair value adjustment on convertible debt	-	1,696,382
Other interest	58	-
	<b>58</b>	<b>1,769,258</b>

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****10. TAX ON LOSS**

	Year ended 30 June 2022	Year ended 30 June 2021
	£	£
<b>Tax credit included in profit and loss account:</b>		
Withholding Tax on interest paid on convertible loan		-
Research and development tax credit at 14.5 % (2021: 14.5%)	(749,070)	(710,658)
Adjustment in respect of prior years	5,418	-
	<u>(743,652)</u>	<u>(710,658)</u>
<b>Tax on loss on ordinary activities</b>	<b>(743,652)</b>	<b>(710,658)</b>

The tax assessed for the year is lower (2021: lower) than the standard effective rate of corporation tax in the UK for the year ended 30 June 2021 of 19% (2021: 19%).

The differences are explained below:

	Year ended 30 June 2022	Year ended 30 June 2021
	£	£
<b>Reconciliation of income tax charge</b>		
Loss before taxation	(6,589,776)	(8,030,908)
Corporation tax charge at 19 % (2021: 19%)	(1,252,057)	(1,525,873)
Effects of:		
Losses surrendered	426,757	404,873
Expenses not deductible for tax purposes	68,654	136,825
Unrecognised deferred tax asset	756,646	984,175
Research and development tax credit	(749,070)	(710,658)
Adjustment in respect of prior year	5,418	-
	<u>(743,652)</u>	<u>(710,658)</u>
<b>Total tax charge/(credit) for the year</b>	<b>(743,652)</b>	<b>(710,658)</b>

No corporation tax liability arises on the results for the year due to the loss incurred.

**Factors that may affect future tax charges**

In the UK Budget Statement on 3 March 2021, the Chancellor announced the intention for corporation tax to rise to a headline rate of 25% from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £50,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning annual taxable profits between the two levels. These changes were substantively enacted in May 2021.

At 30 June 2022, the Company had potential deferred tax assets at the prevailing rate of 25 (2021: 19%) in relation to tax losses carried forward of £8,174,781 (2021: £5,452,024) and timing difference on fixed assets of £4,529 (2021: £5,676). The deferred tax asset is not recognised as there is insufficient evidence that they are recoverable. The deferred tax asset would be recoverable if the Company were to become profitable in the future.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****11. TANGIBLE ASSETS**

	<b>Hardware and Lab Equipment £</b>	<b>Office Equipment £</b>	<b>Office Fit Out Costs £</b>	<b>Energy Routers £</b>	<b>Total £</b>
<b>COST</b>					
At 1 July 2021	625,017	86,077	168,249	127,357	1,006,700
Additions	30,525	-	-	-	30,525
Disposal	(4,497)	-	-	-	(4,497)
At 30 June 2022	<b>651,045</b>	<b>86,077</b>	<b>168,249</b>	<b>127,357</b>	<b>1,032,728</b>
<b>ACCUMULATED DEPRECIATION</b>					
At 1 July 2021	595,381	76,199	108,070	30,971	810,621
Charge for year	25,695	6,413	19,003	8,491	59,602
Eliminated on disposal	(4,167)	-	-	-	(4,167)
At 30 June 2022	<b>616,909</b>	<b>82,612</b>	<b>127,073</b>	<b>39,462</b>	<b>866,056</b>
<b>NET BOOK VALUE</b>					
At 30 June 2022	<b>34,136</b>	<b>3,465</b>	<b>41,176</b>	<b>87,895</b>	<b>166,672</b>
At 30 June 2021	29,636	9,878	60,179	96,386	196,079

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****12. DEBTORS**

	<b>At 30 June 2022</b>	<b>At 30 June 2021</b>
	<b>£</b>	<b>£</b>
Short term bank bonds	-	43,730
Trade debtors	207,351	54,520
Other debtors	221,662	175,314
Prepayments and accrued income	282,570	220,818
Research and development tax credit	749,070	710,658
	<u>1,460,653</u>	<u>1,205,040</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>At 30 June 2022</b>	<b>At 30 June 2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	147,234	218,155
Taxation and social security	151,460	152,361
Accruals and deferred income	329,437	357,122
Other creditors	46,130	57,528
	<u>674,261</u>	<u>785,166</u>

**14. FINANCIAL INSTRUMENTS**

	<b>At 30 June 2022</b>	<b>At 30 June 2021</b>
	<b>£</b>	<b>£</b>
Opening balance	-	-
Issue of convertible debt	-	5,000,000
Accrued interest	-	72,876
Interest paid	-	(547)
Fair value adjustment	-	1,696,382
Released to equity on conversion	-	(6,768,711)
	<u>-</u>	<u>-</u>
<b>Closing balance</b>	<u>-</u>	<u>-</u>

On 29 March 2021 the company entered into a convertible loan agreement (CLA) with UK FF Nominees Limited and existing investors for a total of £5,000,000. The loan bore interest at 8% and converted to Ordinary Shares on 3 June 2021 following receipt of equity investment.

Immediately prior to conversion the loan was restated to fair value being the market value of the shares to be issued.

On 3 June 2021 the company received equity investment which, under the terms of the CLA, triggered conversion of the loan into Ordinary Shares at a discount of 20-30% on the equity investment price of £14.00 per share. As a result the company issued 483,477 A3 Ordinary shares.

Upon conversion the balance of the convertible loan was released to equity.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****15. CALLED UP SHARE CAPITAL**

<b>Allotted, issued and fully paid: Number:</b>	<b>Class:</b>	<b>Nominal</b>	<b>At 30 June 2022 £</b>	<b>At 30 June 2021 £</b>
1,038,133 (2021: 1,020,386)	Ordinary	£0.0001	103	102
3,855,476 (2021: 3,855,476)	A1 Ordinary	£0.0001	386	386
3,322 (2021: 3,322)	A2 Ordinary	£0.0001	-	-
1,587,295 (2021: 1,587,295)	A3 Ordinary	£0.0001	159	159
			<b>648</b>	<b>647</b>

All Ordinary shares carry equal rights and are ranked pari passu.

On 2 June 2021 the company's A Ordinary shares were redesignated as A1 Ordinary shares and two new classes of shares, A2 Ordinary and A3 Ordinary were created.

On 2 June 2021 the company issued 2 A1 Ordinary shares, 3,322 A2 Ordinary shares and 32,390 A3 Ordinary shares to existing Octopus Investors on which share premium of £499,992 arose.

On 3 June 2021 the company issued 1,071,428 A3 Ordinary shares to Sustainable Impact Capital Limited on which a premium of £14,999,885 arose.

On 3 June 2021 the convertible loan was converted to equity resulting in the issue of a further 483,477 A3 Ordinary shares on which a premium of £5,072,280.

During the year ended 30 June 2021, 270 share options were exercised resulting in the issue of 270 Ordinary shares on which share premium of £216 arose.

During the year ended 30 June 2022, 17,747 share options were exercised resulting in the issue of 17,747 Ordinary shares on which share premium of £36,716 arose.

**16. RESERVES****Other reserve**

Amounts transferred from liabilities on the extinguishment of financial instruments.

**Share based payments**

Includes the value of equity instruments issued in return for services in current and prior years.

**Retained earnings**

Includes all current and prior year retained profit and losses less any dividends paid.

**17. RELATED PARTY DISCLOSURES**

At 30 June 2022 £nil was owed to Peter Bance, a director of the company (2021: £2,055).

In the opinion of the directors there is no ultimate parent or controlling party.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****18. WARRANTS**

In 2014, in conjunction with the shares issued as disclosed in note 15, 28,126 £0.0001 A ordinary shares (Warrant Shares) were issued. If these warrants are exercised the total consideration will be allocated between the Share Capital and Share Premium in accordance with relevant UK Law. The warrants expire 10 years after issue.

**19. FINANCIAL COMMITMENTS**

The future minimum operation lease payments are as follows:

	<b>At 30 June 2022</b>	<b>At 30 June 2021</b>
	£	£
<b>Expiry date:</b>		
Not later than one year	217,351	217,351
Later than one year and not later than five years	253,330	38,921
	<u><b>470,681</b></u>	<u><b>256,272</b></u>

The operating leases relate to the offices in Cambridge.

Secured over the Barclays accounts within the cash balance, there are securities of £466,000 in relation to BACS payments and company credit cards.

**20. CASH FLOW FROM OPERATIONS**

	<b>Year ended 30 June 2022</b>	<b>Year ended 30 June 2021</b>
	£	£
<b>Loss for the financial year</b>	<b>(5,846,124)</b>	<b>(7,320,250)</b>
Tax on loss	(743,652)	(710,658)
Interest receivable and similar income	(34,262)	(35)
Interest payable and similar charges	58	1,769,258
<b>Operating Loss</b>	<u><b>(6,623,980)</b></u>	<u><b>(6,261,685)</b></u>
Depreciation of Tangible Assets	59,602	60,990
(Profit)/ Loss on disposal of tangible assets	(275)	1,338
Write down of subsidiary	-	-
Share based payments charge	540,658	508,712
Working capital movements:		
(Increase)/ decrease in debtors	(217,201)	140,118
(Decrease)/ increase in creditors	(110,905)	(43,271)
<b>Cash flow from Operating Activities</b>	<u><b>(6,352,101)</b></u>	<u><b>(5,593,798)</b></u>

**21. ANALYSIS OF CHANGES IN DEBT**

	<b>At 1 July 2021</b>	<b>Cashflows</b>	<b>At 30 June 2022</b>
	£	£	£
<b>Cash and cash equivalents</b>			
Cash at bank and in hand	19,264,896	(5,605,860)	13,659,036
<b>Total</b>	<u><b>19,264,896</b></u>	<u><b>(5,605,860)</b></u>	<u><b>13,659,036</b></u>

**22. EVENTS AFTER THE REPORTING PERIOD**

There are no events to report on after the reporting period.