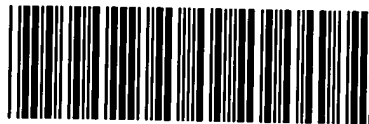


Company registration number 09891877 (England and Wales)

BRAMBLE ENERGY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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BRAMBLE ENERGY LTD.

COMPANY INFORMATION

Directors	Dr T J Mason IP2IPO Services Limited Mr C G Scrivener Parkwalk Advisors Ltd Mr I Downing Mr R J Hulf Mr J Schmitt Mrs N Hodson	Resigned 31 st March 2023
Company number	09891877	
Registered Office	Atrium Court Tilgate Business Park Brighton Road Crawley RH11 9BP	
Auditor	KPMG LLP Global House, High Street, Crawley RH10 1DQ	

BRAMBLE ENERGY LTD.

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BRAMBLE ENERGY LTD.

STRATEGIC REPORT

Strategic report

2023 was a pivotal year for Bramble Energy on multiple fronts. With significant new funding secured in 2022, the business was able to continue to develop its potential offering in the sector meeting several technical and commercial milestones throughout 2023.

2023 also saw Bramble energy Ltd continue the development of its fuel cell technology and in conjunction engage with automotive and other clients in this sector. The portable power continues in its development and sales are expected imminently.

Funding

On 14th February 2022 the business closed its successful Series B. Throughout 2023 these funds were used to meet pre determined milestones associated with the development of global commercial traction for Bramble Energy's PCBx™ applications as well retaining the required staff expertise in the business.

Bramble Energy Ltd now in 2024 is in the process of looking to obtain series C funding

Development Projects

The following projects started in 2022 and were delivered in 2023

- A c£1m funded project in the Marine sector to produce an affordable fuel cell system to replace a diesel engine on a boat saving up to 50,000 tonnes of CO2 per year
- The integration of a 10kW fuel cell stack into a Renault Kangoo Van
- A BEIS project to develop, test and trial a ruggedised, portable hydrogen fuel cell generator.

During 2023, Bramble Energy engaged with and started more ambitious projects including HEIDI which is the development of a higher power fuel cell stack and system for a double decker bus, based on Bramble's higher power fuel cell designs and the SurV project which further advanced Bramble's fuel cell stack assembly process in the new R&D facility.

Technological Milestones

During 2023 Bramble Energy continued the development and production of the PCBFC (Printed Circuit Board Fuel Cell), including off-shore lower cost production trials, fuel cell stacks of increasing power on a pathway to 100kw and fuel cell system operation in different applications. Bramble Energy's Electrolysis programme delivered a more than 3 times increase in output.

The scale up of Fuel Cell and Electrolysis solutions has continued through 2023 in terms of power and production volumes.

Commercial Traction

During the year Bramble Energy engaged in a number of commercial conversations with Global OEM & Tier 1 businesses which are anticipated to lead to longer term commercial agreements and revenues in the near future.

Principal Risks and Uncertainties

- Product fails to gain commercial traction
- Funding round is unsuccessful

BRAMBLE ENERGY LTD.

STRATEGIC REPORT

On behalf of the board on the 17th July 2024.



.....
Dr T J Mason
Director

Atrium Court
Tilgate Business Park
Brighton Road
Crawley, RH11 9BP

BRAMBLE ENERGY LTD.

DIRECTORS' REPORT

Directors report

The company continues to utilise the funding available to ensure it meets its strategic goals, primarily being that of development and commercialisation of all the technology.

Along side this Bramble Energy is developing its Electrolysis offering, and this has seen significant advances in 2023; this will become a larger part of the business in the near future.

As detailed in the directors' report Bramble Energy continues to meet its technological milestones and has in 2023 delivered significant development projects.

2023 has been a positive year for Bramble Energy Limited, and the Board is pleased with the progress of the company.

Mobility, continues to advance in 2023 and gain traction with large automotive companies.

Principal activities

The principal activity of the company is the development and manufacture of PCB fuel cells.

Results and dividends

The results for the year are set out on page 13.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr T J Mason
IP2IPO Services Limited
Mr C G Scrivener
Parkwalk Advisors Ltd
Mr I Downing
Mr R J Hulf
Mr J Schmitt
Mrs N Hodson (Resigned 31 March 2023)

Directors Indemnity

Certain directors benefited from third party indemnity provisions during the financial year and at the date of this report.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

BRAMBLE ENERGY LTD.

DIRECTORS' REPORT

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board on the 17th July 2024.



.....
Dr T J Mason
Director

Atrium Court
Tilgate Business Park
Brighton Road
Crawley, RH11 9BP

BRAMBLE ENERGY LTD.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Opinion

We have audited the financial statements of Bramble Energy Limited ("the Company") for the year ended 31 December 2023 which comprise the Statement of profit and loss and other comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cashflows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its loss for the year 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.3 to the financial statements which indicates that the company requires additional as yet uncommitted funding to meet its liabilities as they fall due within the period of 12 months from approval of these financial statements. These events and conditions, along with the other matters explained in note 1.3, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work: we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the Audit Committee and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that senior management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company has immaterial revenue for the year ended 31 December 2023

We did not identify any additional fraud risks.

Opinion (continued)

- We performed procedures including:
- Identifying journal entries to test-based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual accounts.
- Evaluated the business purpose of significant unusual transactions.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors (as required by auditing standards), the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, employment law, regulatory capital and liquidity, and certain aspects of company legislation recognising the nature of the Company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Opinion (continued)

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Responsibilities of directors

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Julie Wheeldon (Senior Statutory Auditor)
For and on behalf of KPMG LLP

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BRAMBLE ENERGY LTD

Chartered Accountants
Statutory Auditor
Global House
High Street
Crawley
RH10 1DQ
17 July 2024

BRAMBLE ENERGY LTD.

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Revenue	2	16,645	4,275
Cost of sales		(299,154)	(129,655)
Gross loss		(282,509)	(125,380)
Other operating income	3	2,197,836	1,989,055
Administrative expenses		(14,736,527)	(10,967,432)
Operating loss	4	(12,821,200)	(9,103,757)
Finance income	6	260,155	47,919
Finance costs	7	(272,543)	(149,745)
Loss before taxation		(12,833,588)	(9,205,583)
Taxation	8	1,047,594	327,188
Loss after Tax		(11,785,994)	(8,878,395)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		2023 £	2022 £
Non-current assets			
Intangible assets	9	496,446	460,154
Property, plant and equipment	10	9,716,332	10,140,102
		<u>10,212,778</u>	<u>10,600,256</u>
Current assets			
Inventories	11	681,721	589,456
Trade and other receivables	12	1,335,619	2,106,422
Current tax recoverable		1,047,594	-
Cash and cash equivalents		7,919,311	20,018,337
		<u>10,984,245</u>	<u>22,714,215</u>
Current liabilities			
Trade and other payables	14	1,564,676	1,863,333
Lease liabilities	15	298,383	309,930
		<u>1,863,059</u>	<u>2,173,263</u>
Net current assets		9,121,186	20,540,952
Non-current liabilities			
Lease liabilities	15	2,776,538	3,056,776
Provisions	16	309,000	290,861
		<u>3,085,538</u>	<u>3,347,637</u>
Net assets		<u>16,248,427</u>	<u>27,793,571</u>
Equity			
Called up share capital	17	162	161
Share premium account	19	41,239,328	41,235,310
Retained earnings		(24,991,063)	(13,441,900)
Total equity		<u>16,248,427</u>	<u>27,793,571</u>

The financial statements were approved by the board of directors and authorised for issue on 17/07/2024 and are signed on its behalf by:



.....
 Dr T J Mason
 Director
 Company registration number 098918

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Share Capital £	Share premium account £	Retained earnings £	Total £
Balance at 1 January 2022		72	6,258,717	(4,564,473)	1,694,316
Issue of share capital		80	31,976,602	-	31,976,682
Conversion of Loan note	18	9	2,999,991	-	3,000,000
Credit for equity settled share-based payments	19	-	-	968	968
Total comprehensive Loss		-	-	(8,878,395)	(8,878,395)
Balance at 31 December 2022		161	41,235,310	(13,441,900)	27,793,571
Total comprehensive loss		-	-	(11,785,994)	(11,785,994)
Issue of share capital	17	1	4,018	-	4,019
Share based payment	19	-	-	236,831	236,831
Balance at 31 December 2023		162	41,239,328	(24,991,063)	16,248,427

On 14 February 2022, the company successfully completed an equity fundraise, raising £35 million for the issue of new shares. The £35m included the conversion of the £3m loan note, thus generating a cash inflow of £32m.

The accompanying notes form part of these financial statements

BRAMBLE ENERGY LTD.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Cashflow form operating activities			
Loss for the year		(11,785,994)	(8,878,395)
Adjustment for			
Taxation Credited		(1,047,594)	(327,188)
Finance Cost	7	272,543	149,745
Investment income	6	(260,155)	(47,919)
Deferred government grants		(2,197,836)	(1,989,055)
Profit/(loss) on disposal of property	4	(96,121)	(33,746)
Amortisation and Impairment of intangible assets	9	67,650	50,838
Depreciation of property, plant and equipment	10	2,235,164	1,327,850
Equity Settled share based payment expense	4	236,831	968
		<u>(12,575,512)</u>	<u>(9,746,902)</u>
Movements in working capital			
Increase in inventories	11	(92,265)	(589,456)
Decrease/Increase in trade and other receivables	12	387,147	(488,660)
(Decrease)/Increase in trade and other payables	14	(298,657)	1,546,082
Increase in provisions		18,138	0
		<u>(12,561,149)</u>	<u>(9,278,936)</u>
Cash absorbed by operations			
Interest Paid		-	-
Income taxes refunded		-	343,553
Net cash outflow from operating activities		<u>(12,561,149)</u>	<u>(8,935,383)</u>
Investing Activities			
Purchase of Intangible assets	9	(103,942)	(156,026)
Purchase of property, plant and equipment	10	(1,737,526)	(4,266,212)
Proceeds from Grant Revenues		2,581,492	1,307,995
Proceeds on disposal		417	0
Interest received	6	260,155	47,919
Net cash from investing activities		<u>1,000,596</u>	<u>(3,066,324)</u>
Financing Activities			
Proceeds from issue of shares		4,019	31,976,681
Payment of lease liabilities		(542,492)	(826,599)
Net cash from financing activities		<u>(538,473)</u>	<u>31,150,082</u>
Net Increase/(decrease) in cash & cash equivalents		<u>(12,099,026)</u>	<u>19,148,375</u>
Cash and equivalents at beginning of year		20,018,337	869,962
Cash and equivalents at end of year		<u>7,919,311</u>	<u>20,018,337</u>

The accompanying notes form part of these financial statements

1 Accounting policies

1.1 Company information

Bramble Energy Ltd is a private company limited by shares incorporated in England and Wales (registration number 09891877). The registered office is Atrium Court Tilgate Business Park, Brighton Road, Crawley, England, RH11 9BP. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.2 Accounting convention

The Company financial statements have been prepared and approved by the directors in accordance with UK-adopted international accounting standards ("UK-adopted IFRS")

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements are prepared on the historical cost basis.

1.3 Going concern

Notwithstanding an operating loss for the year ended 31 December 2023 of £12.8m (2022: £9.2m) and cash outflows for the year of £12.1m (2022: Inflows of £19.1m), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for the period to 31 December 2025 which indicate that, subject to the receipt of additional funding, the company will have sufficient funds to meet their liabilities as they fall due for a period of at least 12 months from approval of these financial statements.

The Company had a cash balance of £7.9m at 31 December 2023 and has no external debt facilities. Prior to additional funding the base case scenario projects that the company will have a positive cash balance into the early part of Q1 2025 and therefore, the base case assumes that £10.5 million is raised through equity funding by Q4 2024. A severe but plausible scenario would indicate a positive cash balance into Q4 2024 although not all mitigating factors are considered in that scenario.

Currently the company is engaged in a funding round, this round is targeting potential strategic partners in addition to financial investors. Crédit Agricole Corporate and Investment Bank have been engaged to support this process. The round was kicked off in April 2024 and is expected to conclude in Q4 2024.

Management are confident in the ability of the business to raise equity to significantly extend their cash runway. If this round is not successful or in fact there is a period of time where cover is required, then it is expected that the current investors will provide some funding or a short-term loan will be secured on future income from grants and tax credits. The company is in a position to manage variable costs to further push the cash out date out into 2025 if required.

The directors have no reason to believe they will not be successful in securing the required funding and have a track record of attracting a range of investors and financing into the company.

Based on these indicators the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However these circumstances represent material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The Financial Statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.4 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT.

Revenue from sale of equipment is recognised at the point in time when control of the asset is transferred to the customer in accordance with the agreed incoterms. The normal credit arrangement is 30 days net.

Revenue is recognised only once there is evidence that performance obligations of the contract have been met. In the year revenue has only been recognised in a single point of time as deemed appropriate for the transactions that occurred.

1.5 Other Operating Income

Other operating income is referring to monies received from grant income under IAS20 where grant income is only recognised if there is reasonable assurance that the rules of the grant have been complied and the grant monies will be received. See note 1.21 for further details.

1.6 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Software - 10% and 33% straight line
- Patents - 5% and 20% straight line

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- | | |
|---------------------------------------|----------------------------|
| • Improvements to property | Over the term of the lease |
| • Fixtures and fittings | 20 % straight line |
| • Plant and equipment | 10% straight line |
| • Computer and other office equipment | 33% straight line |
| • Motor vehicles | 25% straight line |
| • Right of Use Assets | Over the term of the lease |

Improvements to property covers leasehold improvements to make the company's new site ready for use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.8 Impairment of tangible and intangible assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the or account.

1.9 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Cost is calculated using the first in first out (FIFO) method.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and includes cash held at call with banks.

1.11 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the or account.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.12 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.13 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.14 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are 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 reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, 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 goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Share-based payments

In 2022 the Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

For 2023, reference has been made to the companies Articles of Association and the valuation completed resulting in a charge £236,831, for Share based payments under IFRS2.

1.19 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the

company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.20 Grants

Grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Bramble has elected to present grant income under the heading "Other Income".

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.22 Research and development expenditure

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

1.23 UK-adopted IFRS not yet applied

The following UK-adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective 1 January 2024).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current liabilities with Covenants (effective 1 January 2024).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective 1 January 2024).

1.24 Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and other income in the year. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The estimates and assumptions that have significant risk of causing material misstatement to the carrying amounts of the assets and liabilities within the next financial year are:

Capitalisation of Costs

The company capitalises development costs when the criteria within IAS38 have been met. Management consider the nature of development costs incurred with reference to timing of particular projects and the likelihood of the work leading to production of new or improved products or improved processes, and whether such endeavours are expected to be profitable.

In 2023 management considered there to not be sufficient certainty over commercial viability to capitalise the R&D costs currently incurred

Discount Rate Applied

An estimated discount rate has been applied to value liabilities under IFRS16. The rate used is the rate implicit in the lease, which if cannot be readily ascertained for the asset, the incremental borrowing rate is used. Per IFRS basis for conclusions, BC162 the terms conditions of the lease need to be considered when and subsequent adjustment to the observable borrowing rate of the company.

Tax

Further tax losses were incurred in 2023 as the business continues to develop its Product offering. However due to the current uncertainty around the commercial viability of these products it was concluded that a Deferred Tax Asset should not be recognised in the balance sheet for the year end 2023.

BRAMBLE ENERGY LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

2 Revenue

	2023	2022
	£	£
Revenue analysed by class of business		
Revenue arising from principal activity	<u>16,645</u>	<u>4,275</u>

3 Other Operating Income

	2023	2022
	£	£
Other operating income		
Grants received	<u>2,197,836</u>	<u>1,989,055</u>

4 Operating Loss

	2023	2022
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	2,760	182
Research and development costs	2,878,013	2,851,982
Government grants	(2,197,836)	(1,989,055)
Depreciation of property, plant and equipment	2,235,164	1,327,850
Loss on disposal of property, plant and equipment & Intangibles	96,121	33,746
Amortisation of intangible assets	67,650	50,838
Share-based payments	236,831	968
<i>Auditor's remuneration</i>		
Audit of these financial statements	90,482	72,509

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
	84	58
	2023	2022
	£	£
Their aggregate remuneration comprised:		
Wages and salaries	4,970,186	3,327,255
Share option expense	236,831	968
Social security costs	579,338	399,869
Pension costs	782,641	492,163
	<u>6,568,996</u>	<u>4,220,255</u>

BRAMBLE ENERGY LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Directors remuneration:		
Remuneration for qualifying services	297,610	269,745
Company pension contributions to defined contribution schemes	50,049	31,109
	<u>347,659</u>	<u>300,854</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

	2023	2022
	£	£
Remuneration disclosed above include the following amounts paid to the highest paid director:		
Remuneration for qualifying services	192,500	170,787
Company pension contributions to defined contribution schemes	50,049	31,109
	<u>242,549</u>	<u>201,896</u>

6 Finance income

	2023	2022
	£	£
Interest income Bank deposits		
Financial instruments measured at amortised cost:		
Bank deposits	<u>260,155</u>	<u>47,919</u>

Income above relates to assets held at amortised cost, unless stated otherwise.

7 Finance costs

	2023	2022
	£	£
Interest on lease liabilities / Dilapidations	<u>272,543</u>	<u>149,745</u>

BRAMBLE ENERGY LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

8 Taxation

	2023 £	2022 £
Recognised in the income statement		
Current year tax Credit	(1,047,594)	(327,188)
	<u>(1,047,594)</u>	<u>(327,188)</u>
Reconciliation of effective tax rate		
Loss on ordinary activities	(12,833,588)	(9,205,583)
Tax on loss on ordinary activities at standard CT rate of 23.5% (year end Dec 2022 19%)	(3,015,893)	(1,749,061)
Effects of		
Fixed asset differences	43,443	(87,949)
Expenses not deductible for tax purposes	26	19,451
Other permanent differences	-	(30)
Other tax adjustments reliefs and transfers	48,757	2,133
Adjustment to tax charge in respect of previous periods	(1,047,594)	(343,548)
Write off of prior year tax credit accrual	-	16,365
Current year losses for which no deferred tax was recognised	2,923,667	1,815,451
	<u>(1,047,594)</u>	<u>(327,188)</u>
Tax credit for the period	(1,047,594)	(327,188)

No deferred tax asset has been recognised in respective gross tax losses of £29.9 million (2022: £17.1 million) on the basis that the business is not expected to generate taxable profits in future periods against which these amounts can be applied. Therefore, a deferred tax asset of £7.5 million (2022: £4.3 million) has not been recognised.

The current tax rate used for the year is 23.5% due to an increase in the UK corporation tax rate from 19% to 25% from 1 April 2023. As such the company's future current tax charge will be at a rate of 25%, and the deferred tax at 31 December 2023 has been calculated based on this rate, reflecting the expected timing of reversal of the related temporary differences.

BRAMBLE ENERGY LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

9 Intangible Assets

	Software	Patents & Licenses	Total
	£	£	£
Cost			
At 1 January 2022	41,945	356,879	398,824
Additions	98,634	57,392	156,026
Disposals	-	(433)	(433)
At 31 December 2022	<u>140,579</u>	<u>413,838</u>	<u>554,417</u>
Additions	-	103,942	103,942
Disposals	-	-	-
At 31 December 2023	<u><u>140,579</u></u>	<u><u>517,780</u></u>	<u><u>658,359</u></u>
Amortisation and impairment			
At 1 January 2022	19,269	24,221	43,490
Charge for the year	31,147	19,691	50,838
Eliminate on disposal	-	(65)	(65)
At 31 December 2022	<u>50,416</u>	<u>43,847</u>	<u>94,263</u>
Charge for the year	41,802	25,848	67,650
Eliminated on disposals	-	-	-
At 31 December 2023	<u>92,218</u>	<u>69,695</u>	<u>161,913</u>
Carrying amount			
At 31 December 2023	<u>48,361</u>	<u>448,085</u>	<u>496,446</u>
At 31 December 2022	<u>90,163</u>	<u>369,991</u>	<u>460,154</u>
At 1 January 2022	<u><u>22,676</u></u>	<u><u>332,658</u></u>	<u><u>355,334</u></u>

The amortisation charge is recognised in administration expenses.

BRAMBLE ENERGY LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

10 Property, plant and equipment

	Property improvements	Assets under constructi on	Plant and equipment	Fixtures and fittings	Computer equipment	Motor vehicles	Right of use assets	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 January 2022	119,219	1,602,026	59,557	1,003,241	218,046	59,445	507,126	3,568,660
Additions	370,585	1,476,535	365,014	1,821,962	186,806	45,310	4,188,389	8,454,601
Disposals	(745)	-	(435)	-	(841)	-	(118,713)	(120,734)
Transfers	-	(774,600)	-	774,600	-	-	-	-
At 31 December 2022	489,059	2,303,961	424,136	3,599,803	404,011	104,755	4,576,802	11,902,527
Additions	637,215	521,003	25,816	479,094	74,398	-	205,437	1,942,963
Disposals	(108,114)	-	-	(97,910)	(17,266)	-	-	(223,290)
Transfers	481,955	(997,039)	-	515,084	-	-	-	-
At 31 December 2023	1,500,115	1,827,925	449,952	4,496,071	461,143	104,755	4,782,239	13,622,200
Accumulated depreciation								
At 1 January 2022	8,247	-	3,930	224,798	58,101	13,392	126,132	434,600
Charge for the year	69,329	-	38,866	617,922	102,048	16,684	483,001	1,327,850
Eliminated on disposal	-	-	-	-	(25)	-	-	(25)
At 31 December 2022	77,576	-	42,796	842,720	160,124	30,076	609,133	1,762,425
Charge for the year	172,900	-	44,963	1,314,233	134,922	23,161	544,985	2,235,164
Eliminated on disposal	(80,096)	-	(18)	(9,725)	(1,882)	-	-	(91,721)
At 31 December 2023	170,380	-	87,741	2,147,228	293,164	53,237	1,154,118	3,905,868
Carrying amount								
At 31 December 2023	1,329,735	1,827,925	362,211	2,348,843	167,979	51,518	3,628,121	9,716,332
At 31 December 2022	411,483	2,303,961	381,340	2,757,083	243,887	74,679	3,967,669	10,140,102
At 1 January 2022	110,972	1,602,026	55,627	778,443	159,945	46,053	380,994	3,134,060

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets

The company leases properties and vehicles. Rental contracts are typically made for a fixed period of 2 to 10 years. There are no options to purchase at the end of the lease lives. In all cases the lease obligations are secured by the lessor's title to the leased assets.

The right-of use assets included in the statement of financial position are as follows:

BRAMBLE ENERGY LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Net values at the year end		
Property	3,566,127	3,911,006
Motor vehicles	61,994	56,663
	<u>3,628,121</u>	<u>3,967,669</u>
 Total additions in the year	 205,437	 4,188,389
 Depreciation charge for the year		
Property	491,748	452,893
Motor vehicles	53,237	30,108
	<u>544,985</u>	<u>483,001</u>
 Interest Expense on Lease Liabilities		
Property	257,640	141,036
Discount unwind on Dilapidations	8,193	2,667
Motor vehicles	6,710	6,042
	<u>272,543</u>	<u>149,745</u>
 Maturity analysis (Undiscounted cashflows)		
Not later than one year	580,757	565,812
Later than one year and not more than five years	2,204,460	2,168,111
Later than five years	1,362,952	1,894,121
	<u>4,148,169</u>	<u>4,628,044</u>

11 Inventories

	2023	2022
	£	£
Raw materials	606,474	521,194
Finished goods	75,247	68,262
	<u>681,721</u>	<u>589,456</u>

Raw materials and changes in finished goods recognised as cost of sales in the year amounted to £2,811. (2022 £3,872) – The write-down of inventories to net realisable value amounted to: £295,599. (2022 124,023)

BRAMBLE ENERGY LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

12 Trade and other receivables

	2023	2022
	£	£
Trade receivables	-	1,050
VAT recoverable	167,204	428,205
Accrued Income	788,535	1,172,192
Other receivables	137,212	195,847
Prepayments	<u>242,668</u>	<u>309,128</u>
	<u>1,335,619</u>	<u>2,106,422</u>

The balance on accrued income is wholly grant revenues.
All financial instruments are held at amortised cost.

13 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value. No significant receivable balances are impaired at the reporting end date.

14 Trade and other payables

	2023	2022
	£	£
Trade payables	683,620	1,105,584
Accruals	708,716	687,018
Social security and other taxation	88,692	52,766
Other payables	14,298	17,965
Other Creditors	<u>69,350</u>	<u>-</u>
	<u>1,564,676</u>	<u>1,863,333</u>

All financial instruments are held at amortised cost.

BRAMBLE ENERGY LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

15 Lease liabilities

	2023	2022
	£	£
Maturity analysis		
Within one year	298,383	309,930
In two to five years	1,550,965	1,414,738
Over five years	1,225,573	1,642,038
	<u>3,074,921</u>	<u>3,366,706</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023	2022
	£	£
Maturity analysis		
Current Liabilities	298,383	309,930
Non-current liabilities	2,776,538	3,056,776
	<u>3,074,921</u>	<u>3,366,706</u>

	2023	2022
	£	£
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	263,543	146,933

It is the company's policy to lease certain assets. The average effective borrowing rate for the year was 7.7%. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

	Lease liabilities
	£
Changes in liabilities from financing activities	
At 1 January 2023	3,366,706
Additional leases in year	37,604
Interest	263,543
Amendments to lease in year	(50,440)
Payments	(542,492)
At 31 December 2023	<u>3,074,921</u>

BRAMBLE ENERGY LTD.
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2023

16 Provisions for liabilities

	2023 £	2022 £
Provision for dilapidations on property leases	309,000	290,861

All provisions are expected to be settled after more than 12 months from the reporting date.

	Provision for dilapidations on property leases £
Movements on provisions	
At 1 January 2023	290,861
Additional provisions in the year	71,109
Unwinding of discount	(52,970)
At 31 December 2023	309,000

The provision represents management's best estimate of the company's liability for dilapidations on cessation of its lease agreements.

BRAMBLE ENERGY LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

17 Share capital

	Ordinary of 0.1p each Number	A Ordinary of 0.1p each Number	G Ordinary of 0.1p each Number	Total Shares Number	Share Capital £	Share premium £
1 January 2022	25,097	43,290	3,805	72,192	72	6,258,717
Fund Raise Series B	-	78,241	-	78,241	78	32,034,133
New shares issue in payment of advisor fees	-	976	-	976	1	399,999
Conversion of Loan Note	-	9,158	-	9,158	9	2,999,991
Exercise of Options (05/05/22)	27	-	-	27	1	157
Share Issue costs	-	-	-	-	-	(457,687)
31 December 2022	25,124	131,665	3,805	160,594	161	41,235,310
Exercise of Options	633	-	-	633	1	4,018
31 December 2023	25,757	131,665	3,805	161,227	162	41,239,328

The Ordinary shares consist of Ordinary, A Ordinary & G Ordinary classes of shares which rank pari passu except that;

- the Ordinary and A Ordinary shares are entitled to 1 votes per share and hold the right to attend and speak at general meetings of the company and to receive and vote on proposed written resolutions of the company.
- G Ordinary Shares do not have the right to vote or attend general meetings of the company or to receive or vote on proposed written resolutions of the company.

Subject to the board recommending a payment of a dividend, only holders of Ordinary and A Ordinary share classes have the right to receive their pro-rata share of any distribution.

A - ordinary shares are preferential, ordinary shares have lower/no value as they are a lower preference, where the valuation of the company or sale is below £40.02m. And to note Share options operate in the same way as Ordinary shares in regards to this preferential status.

Capital Management

The company's capital comprises of all components of equity which includes share capital, retained earnings and other reserves. The companies objectives when maintaining capital are:

- To safeguard the companies ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

BRAMBLE ENERGY LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

The capital structure of the company consists of shareholder equity with all working capital requirements financed from cash and revolving credit facilities. The company sets the amount of capital it requires in proportion to risk. It manages its capital structure and makes adjustments to it in the light of changes in economic conditions.

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

18 Share based payments

The company has one Employee share option plan, under the EMI scheme (Enterprise Management Incentive). Share options were granted in 2021 and 2023, and have been valued separately.

Vesting terms start from the date employment, Vesting conditions are to have remained in continued employment and the shares vest in equal instalments over 4 years; starting with the anniversary from date of employment and then 35 instalments and the final balance in the instalment 36 so that the option shall be fully vested on the fourth anniversary of the vesting commencement date. The method of settlement is the Equity method.

	2023 Number	2022 Number	Average Exercise price
Share options granted in 2021			
Outstanding at 1 January	17,070	17,097	23.00
Granted in the period	-	-	-
Options Forfeited	(4,230)		
Exercise in the period	(712)	(27)	5.80
Outstanding at 31 December	<u>12,128</u>	<u>17,070</u>	5.80
Exercisable at 31 December	7,086	9,493	

The weighted average share price at the date of exercise for share options exercised during the year 2022 was £6.00 (2021 - £0.00 the weighted average FV of options granted in 2021 was determined using Black Scholes Model).

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FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	
	Number	Average exercise price
Share options granted in 2023		
Outstanding at 1 January	-	-
Granted in the period	14,375	10.00
Options forfeited in the year	(950)	-
Outstanding at 31 December	<u>13,425</u>	10.00
Exercisable at 31 December	7,952	

The weighted average share price at the date of exercise for share options exercised during the year was 2023 £19.28 (2022 - £6.00). The average contractual life to lapse of the outstanding options is 10th anniversary from the date of grant.

Options granted during the year

The weighted average fair value of options granted in the year was determined using the series B fundraise to estimate the fair value of Ordinary shares being granted. Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

The expected life is 3 years and weighted average exercise price is £10

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Options outstanding

All shares have an exercise price of £10.00 bar the G shares on 3,805 which have £0.025 per share

Awards and Modification

On 20th October 2023 stock options over 14,375 ordinary shares in the company were awarded to employees. The options started vesting from the start date of employment, total vested as 31st December 7,952. Due to the timing of the current funding round, proposed stage of funding under way, the fact that Share options operate in the same way Ordinary shares, (A – Ord Shares take preference up to a certain value of the company), and using an independent valuation report the total charge to the P&L was £236,831 for shares granted in 2023.

	2023 £	2022 £
Expenses Related to equity settled share based payments	236,831	968

19 Share premium account

	2023 £	2022 £
At the beginning of the year	41,235,310	6,258,717
Issue of new shares	4,018	31,976,602
On conversion of loan note	-	2,999,991
At the end of the year	41,239,328	41,235,310

20 Capital commitments

At 31 December 2023 the company had capital commitments as follows:

	2023 £	2022 £
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	257,297	876,350

21 Capital risk management

The company is not subject to any externally imposed capital requirements.

BRAMBLE ENERGY LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2023	2022
	£	£
Short-term employee benefits	282,084	269,745
Post-employment benefits	50,049	31,109
Total	<u>332,133</u>	<u>300,854</u>

Other transactions with related parties

The following amounts were outstanding at the reporting end date

	2023	2022
	£	£
Amounts due to related parties		
Entities with joint control or significant influence over the company	<u>-</u>	<u>-</u>

There was £36,318 of expenses borne in the year and £27,398 of prepaid expenses at 31 December 2023 with one of the shareholders.

23 Ultimate controlling party

As of the 31st December 2023 Bramble has no ultimate controlling party.