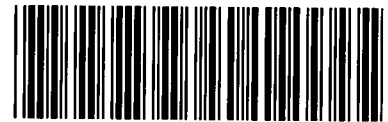


**REGISTERED NUMBER: 12381543 (England and Wales)**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE PERIOD  
31 DECEMBER 2019 TO 31 JANUARY 2021  
FOR  
POWER BY BRITISHVOLT LIMITED**

**WEDNESDAY**



**A08      \*AACMNQS1\*      #19  
08/09/2021  
COMPANIES HOUSE**



**POWER BY BRITISHVOLT LIMITED**

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**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

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**POWER BY BRITISHVOLT LIMITED**

**COMPANY INFORMATION**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

**DIRECTORS:** O Nadjari  
I Sheldon  
C P H Morgan  
P E Rolton  
J R M Price  
W B Harrison  
Lord P S Chadlington  
Sir M Snyder  
T Cowling  
J Bakaj

**SECRETARY:** T Cowling

**REGISTERED OFFICE:** Office G04, Blyth Workspace  
Commissioners Quay  
Quay Road  
Blyth  
Northumberland  
NE24 3AF

**REGISTERED NUMBER:** 12381543 (England and Wales)

**INDEPENDENT AUDITOR:** Armstrongs Accountancy Ltd  
Chartered Accountants and Statutory Auditor  
1 & 2 Mercia Village  
Torwood Close  
Westwood Business Park  
Coventry  
West Midlands  
CV4 8HX

## **POWER BY BRITISHVOLT LIMITED**

### **DIRECTORS' REPORT** **FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

The directors present their report with the financial statements of the company for the period 31 December 2019 to 31 January 2021.

#### **INCORPORATION**

The company was incorporated on 31 December 2019.

#### **PRINCIPAL ACTIVITY**

The nature of the company's operations and principal activities are to build the UK's first Gigaplant to meet the demand for batteries created by the electrification of the world's automotive sector.

#### **REVIEW OF BUSINESS**

Our mission is to accelerate the advent of a carbon neutral society through delivering sustainable battery solutions for the automotive and wider transportation sector.

Britishvolt continues to progress to meet the demand for batteries created by the electrification of the world's automotive sector. As the UK's first Gigaplant, the company is well aligned with the country's net-zero ambitions and levelling up agenda. Investor appetite is solid for the proposition, especially in view of its ESG credentials.

Britishvolt considers itself ideally positioned to take advantage of the market for electric vehicle batteries as being stimulated by a ban on combustion engine vehicles being brought forward to 2030 and the Brexit rules of origin on local content.

January 2021 saw the successful closure of series A funding. Following the year end Britishvolt has now secured financial advisors, Barclays and Guggenheim, to advise us on next steps including series B, debt and any other options available in the market.

We continue to build out our executive, operational and technical teams and show that we are a strong business that will deploy any potential government funding with the best interests of the country and UK plc front and centre.

Britishvolt has now secured ownership of the site for the first factory in Cambois near Blyth in Northumberland. Planning permission for the gigaplant was unanimously approved by the local authority on 6th July 2021 and is a major milestone for the Britishvolt project. The conditions attached to the planning consent are in line with the company's expectations and the directors believe these will all be met.

BV remains on track to begin building the Gigaplant in Q3 2021, and has entered into pre-construction arrangements with ISG, a tier 1 contractor. BV aims to manufacture some of the most sustainable, low-carbon, lithium-ion batteries in the world.

#### **DIRECTORS**

The directors who have held office during the period from 31 December 2019 to the date of this report are as follows:

C Alai - appointed 3 March 2020 – resigned 15 March 2021  
L E Carlstrom - appointed 31 December 2019 - resigned 16 December 2020  
O Nadjari - appointed 3 March 2020  
M E Reynolds - appointed 17 August 2020 – resigned 15 March 2021  
I Sheldon - appointed 17 August 2020  
C P H Morgan - appointed 28 October 2020  
P E Rolton - appointed 28 October 2020

J R M Price, W B Harrison , Lord P S Chadlington, Sir M Snyder, T Cowling and J Bakaj were appointed as directors after 31 January 2021 but prior to the date of this report.

C Alai and M E Reynolds ceased to be directors after 31 January 2021 but prior to the date of this report.

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

## **POWER BY BRITISHVOLT LIMITED**

### **DIRECTORS' REPORT** **FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

#### **GOING CONCERN**

Power by Britishvolt Ltd is currently at plant development phase and at the same time, working on the commercial side of their business that is exposed to all the inherent risks relating to a start-up business. Considerable progress has been made in the period under review and during 2021, as detailed in the Directors' Report purchasing the UK factory site for £4m in Cambois near Blyth in Northumberland and receiving planning permission.

The company has suffered losses of £8,793,960 in the period ended 31 January 2021 and based on management budgets and forecasts it is expecting to incur further losses until the construction of the Gigaplant is complete and production starts to generate revenue. To date, the company has met its funding requirements through equity and convertible loan notes issued to its shareholders. In the financial year 2022, the company has issued loan notes of £5.3m to its shareholders which have been converted to equity. During 2021, the company has initiated a capital raise process from new investors with the support of two financial advisors and raised £4.8m as part of Series A and £50.6m as part of Series B funding round which is still in progress and further rounds are planned through the financial year 2022.

The directors' have prepared cash flow forecasts up to 30 September 2022 (12 months from the date of approval of these financial statements "the going concern period") which indicate the company will have sufficient funds available through funding rounds from its existing and/or prospective shareholders, to meet its liabilities as they fall due for that period.

The directors' acknowledge that there can be no certainty that the funding required by the company will be received. Although at the date of approval of these financial statements, they have no reason to believe that it will not do so and the directors' are confident of securing the additional funding from its existing and/or prospective shareholders as indicated by the funding raised in financial year 2021.

Based on the above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the circumstances described above indicate the existence of material uncertainties 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. There would not be any material adjustments should the basis of preparation be inappropriate.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

There are certain challenges facing the battery manufacturing industry including, but not confined to, increases in raw material costs, tightness in supply, a lack of skilled workforce and lead times on equipment procurement.

Britishvolt has support from the UK government and the UK automotive industry to help reduce the risks associated with this rapidly developing industry.

There is a need to consider partnerships with key suppliers and to establish strong relationships with the automotive OEMs in the UK in order to reduce the supply and demand risks.

Our research and development is improving our speed to market and allows a possible reduction in the future capital outlay.

**POWER BY BRITISHVOLT LIMITED**

**DIRECTORS' REPORT**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, Armstrongs Accountancy Ltd, will be replaced by KPMG at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
P E Rolton - Director

Date: 3/9/21  
.....

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **POWER BY BRITISHVOLT LIMITED**

#### **Opinion**

We have audited the financial statements of Power By Britishvolt Limited (the 'company') for the period ended 31 January 2021 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditors' responsibilities for the audit of the financial statements section of our report.

#### ***Independence***

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.

#### **Material uncertainty related to going concern**

We draw attention to note 2 of the financial statements which describes uncertainties related to availability of future funding required by the company. This constitutes a material uncertainty that may cast significant doubt on the company's ability to continue as going concern.

Our opinion is not modified in respect of this matter.

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our Auditors' 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
POWER BY BRITISHVOLT LIMITED**

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

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

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

- adequate accounting records have not been kept, 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 or in preparing the Directors' Report.

**Responsibilities for the financial statements and the audit**

**Directors' responsibilities for the financial statements**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to environmental legislation and Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (Including the risk of override controls) and determined that the principal risks were related to unusual journals and manipulation of accounting estimates. Audit procedures performed included;

- Enquiring of directors and inspection of policy documentation as to the company's high-level policies and procedures to prevent and detect fraud, and the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board meeting minutes.
- Considering bonus schemes and performance targets for management, directors and staff.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Testing higher risk journal entries, testing accounting estimates and performing certain unpredictable procedures.
- We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

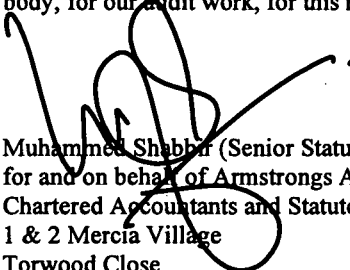
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
POWER BY BRITISHVOLT LIMITED**

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Auditors' Report.

**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 Auditors' 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.



Muhammed Shabbir (Senior Statutory Auditor)  
for and on behalf of Armstrongs Accountancy Ltd  
Chartered Accountants and Statutory Auditor  
1 & 2 Mercia Village  
Torwood Close  
Westwood Business Park  
Coventry  
West Midlands  
CV4 8HX

Date: .....7/9/21.....

**POWER BY BRITISHVOLT LIMITED**

**STATEMENT OF PROFIT OR LOSS**

**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

	Notes	£
<b>CONTINUING OPERATIONS</b>		
Revenue		-
Administrative expenses		<u>(8,793,972)</u>
<b>OPERATING LOSS</b>		<b>(8,793,972)</b>
Finance income	4	<u>12</u>
<b>LOSS BEFORE INCOME TAX</b>		<b>(8,793,960)</b>
Income tax	5	<u>-</u>
<b>LOSS FOR THE PERIOD</b>		<b><u>(8,793,960)</u></b>

The notes form part of these financial statements

**POWER BY BRITISHVOLT LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

	£
<b>LOSS FOR THE PERIOD</b>	(8,793,960)
<b>OTHER COMPREHENSIVE INCOME</b>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>(8,793,960)</u>


The notes form part of these financial statements

**POWER BY BRITISHVOLT LIMITED (REGISTERED NUMBER: 12381543)**

**STATEMENT OF FINANCIAL POSITION**  
**31 JANUARY 2021**

	Notes	£
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Assets under construction	6	474,213
Investments	7	<u>3</u>
		<u>474,216</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	8	2,095,178
Cash and cash equivalents	9	<u>821,481</u>
		<u>2,916,659</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	10	<u>3,222,275</u>
<b>NET CURRENT LIABILITIES</b>		
		<u>(305,616)</u>
<b>NET ASSETS</b>		
		<u>168,600</u>
<b>SHAREHOLDERS' EQUITY</b>		
Called up share capital	11	55,211
Share premium	12	8,907,349
Retained earnings	12	<u>(8,793,960)</u>
<b>TOTAL EQUITY</b>		
		<u>168,600</u>

The financial statements were approved by the Board of Directors and authorised for issue on 3/9/21 and were signed on its behalf by:

  
.....  
P E Rolton - Director

The notes form part of these financial statements

**POWER BY BRITISHVOLT LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Changes in equity</b>				
Issue of share capital	55,211	-	8,907,349	8,962,560
Total comprehensive income	-	(8,793,960)	-	(8,793,960)
<b>Balance at 31 January 2021</b>	<u>55,211</u>	<u>(8,793,960)</u>	<u>8,907,349</u>	<u>168,600</u>

The notes form part of these financial statements

**POWER BY BRITISHVOLT LIMITED**

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

		£
<b>Cash flows from operating activities</b>		
Cash generated from operations	1	<u>(7,891,334)</u>
Net cash from operating activities		<u>(7,891,334)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets		(474,213)
Purchase of fixed asset investments		(3)
Interest received		<u>12</u>
Net cash from investing activities		<u>(474,204)</u>
<b>Cash flows from financing activities</b>		
Amount introduced by directors		224,459
Proceeds from share issue		<u>8,962,560</u>
Net cash from financing activities		<u>9,187,019</u>
		<hr/>
<b>Increase in cash and cash equivalents</b>		821,481
<b>Cash and cash equivalents at beginning of period</b>	2	-
		<hr/>
<b>Cash and cash equivalents at end of period</b>	2	<u><u>821,481</u></u>

The notes form part of these financial statements

**POWER BY BRITISHVOLT LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

**1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	£
Loss before income tax	(8,793,960)
Finance income	<u>(12)</u>
	(8,793,972)
Increase in trade and other receivables	(2,092,688)
Increase in trade and other payables	<u>2,995,326</u>
<b>Cash generated from operations</b>	<b><u>(7,891,334)</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Period ended 31 January 2021**

	31.1.21	31.12.19
	£	£
Cash and cash equivalents	<u>821,481</u>	<u>-</u>

The notes form part of these financial statements

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**POWER BY BRITISHVOLT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

**1. STATUTORY INFORMATION**

Power By Britishvolt Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The nature of the company's operations and principal activities are to build the UK's first Gigaplant to meet the demand for batteries created by the electrification of the world's automotive sector.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards including standards and interpretations issued by the International Accounting Standards Board and in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. They have been prepared using the historical cost convention except that as disclosed in the accounting policies below certain items, including investment properties, derivatives, and some investments, are shown at fair value.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1.

**Preparation of consolidated financial statements**

The financial statements contain information about Power By Britishvolt Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

**POWER BY BRITISHVOLT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

**2. ACCOUNTING POLICIES - continued**

**Going concern**

Power by Britishvolt Ltd is currently at plant development phase and at the same time, working on the commercial side of their business that is exposed to all the inherent risks relating to a start-up business. Considerable progress has been made in the period under review and during 2021, as detailed in the Directors' Report purchasing the UK factory site for £4m in Cambois near Blyth in Northumberland and receiving planning permission.

The company has suffered losses of £8,793,960 in the period ended 31 January 2021 and based on management budgets and forecasts it is expecting to incur further losses until the construction of the Gigaplant is complete and production starts to generate revenue. To date, the company has met its funding requirements through equity and convertible loan notes issued to its shareholders. In the financial year 2022, the company has issued loan notes of £5.3m to its shareholders which have been converted to equity. During 2021, the company has initiated a capital raise process from new investors with the support of two financial advisors and raised £4.8m as part of Series A and £50.6m as part of Series B funding round which is still in progress and further rounds are planned through the financial year 2022.

The directors' have prepared cash flow forecasts up to 30 September 2022 (12 months from the date of approval of these financial statements "the going concern period") which indicate the company will have sufficient funds available through funding rounds from its existing and/or prospective shareholders, to meet its liabilities as they fall due for that period.

The directors' acknowledge that there can be no certainty that the funding required by the company will be received. Although at the date of approval of these financial statements, they have no reason to believe that it will not do so and the directors' are confident of securing the additional funding from its existing and/or prospective shareholders as indicated by the funding raised in financial year 2021.

Based on the above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the circumstances described above indicate the existence of material uncertainties 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. There would not be any material adjustments should the basis of preparation be inappropriate.

**Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Assets under construction - not provided

**Non-derivative financial instruments**

Non-derivative financial instruments comprise of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

**Trade and other receivables**

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective rate interest method, less impairment losses.

**Trade and other payables**

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective rate interest method, less impairment losses.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and time, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the statement of cash flows.

**POWER BY BRITISHVOLT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

2. **ACCOUNTING POLICIES - continued**

**Provisions**

Provisions are recognised where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise, taking into account the time value of money. A contingent liability is disclosed where the existence of the obligations will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

**Research and development**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Employee benefit costs**

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

3. **EMPLOYEES AND DIRECTORS**

	£
Wages and salaries	777,078
Social security costs	45,058
Other pension costs	<u>1,459</u>
	<u>823,595</u>

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

Employees	6
Directors	<u>3</u>
	<u>9</u>

	£
Directors' remuneration	<u>376,133</u>

Information regarding the highest paid director is as follows:

	£
Emoluments etc	<u>200,000</u>

**POWER BY BRITISHVOLT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

4. **NET FINANCE INCOME**

	£
Finance income:	
Bank Interest	<u>12</u>

5. **INCOME TAX**

**Analysis of tax expense**

No liability to UK corporation tax arose for the period.

**Factors affecting the tax expense**

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

	£
Loss before income tax	<u>(8,793,960)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(1,670,852)
Effects of:	
Increase in losses for the period for tax purposes	<u>1,670,852</u>
Tax expense	<u>-</u>

6. **ASSETS UNDER CONSTRUCTION**

	Assets under construction £
<b>COST</b>	
Additions	<u>474,213</u>
At 31 January 2021	<u>474,213</u>
<b>NET BOOK VALUE</b>	
At 31 January 2021	<u>474,213</u>

7. **INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
Additions	<u>3</u>
At 31 January 2021	<u>3</u>
<b>NET BOOK VALUE</b>	
At 31 January 2021	<u>3</u>

**POWER BY BRITISHVOLT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

**7. INVESTMENTS - continued**

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Power by BV Properties Limited**

Registered office: Office G04, Blyth Workspace Commissioners Quay, Quay Road, Blyth, Northumberland, NE24 3AF.

Nature of business: Letting and operating of own or leased real estate

Class of shares:	% holding
Ordinary	100.00

**Power by BV Services Limited**

Registered office: Office G04, Blyth Workspace Commissioners Quay, Quay Road, Blyth, Northumberland, NE24 3AF.

Nature of business: Maintain service contracts

Class of shares:	% holding
Ordinary	100.00

**Power by BV Utilities Limited**

Registered office: Office G04, Blyth Workspace Commissioners Quay, Quay Road, Blyth, Northumberland, NE24 3AF.

Nature of business: Manage commercial utility contracts

Class of shares:	% holding
Ordinary	100.00

All the above subsidiary companies are dormant.

**8. TRADE AND OTHER RECEIVABLES**

	£
Current:	
Unpaid share capital	506,277
Payments on account	438,600
Directors' current accounts	2,490
VAT	<u>1,147,811</u>
	<u>2,095,178</u>

**9. CASH AND CASH EQUIVALENTS**

	£
Bank accounts	<u>821,481</u>

**POWER BY BRITISHVOLT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

**10. TRADE AND OTHER PAYABLES**

	£
Current:	
Trade creditors	2,217,089
Amounts owed to group undertakings	3
Social security and other taxes	46,266
Staff pension	1,276
Other creditors	396,737
Accrued expenses	333,955
Directors' current accounts	<u>226,949</u>
	<u>3,222,275</u>

All trade and other payables are due within twelve months from the reporting date.  
The amounts owed to related parties and group undertakings are unsecured, interest free with no repayment terms.

**11. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
55,211,213	Ordinary	0.1p	<u>55,211</u>

Shares were issued during the period as follows:

Cash at par  
50,000,000 Ordinary shares of 0.1p for £50,000

Cash at premium  
5,211,213 Ordinary shares of 0.1p for £8,912,560 including share premium of £8,907,349.

**12. RESERVES**

	Retained earnings £	Share premium £	Totals £
Deficit for the period	(8,793,960)		(8,793,960)
Cash share issue	<u>-</u>	<u>8,907,349</u>	<u>8,907,349</u>
At 31 January 2021	<u>(8,793,960)</u>	<u>8,907,349</u>	<u>113,389</u>

**13. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the period ended 31 January 2021:

	£
<b>C Alai</b>	
Balance outstanding at start of period	-
Amounts advanced	31,250
Amounts repaid	(30,010)
Amounts written off	-
Amounts waived	-
Balance outstanding at end of period	<u>1,240</u>

**POWER BY BRITISHVOLT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 31 DECEMBER 2019 TO 31 JANUARY 2021**

**13. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

**O Nadjari**

Balance outstanding at start of period	-
Amounts advanced	458,627
Amounts repaid	(685,576)
Amounts written off	-
Amounts waived	-
Balance outstanding at end of period	<u>(226,949)</u>

**I Sheldon**

Balance outstanding at start of period	-
Amounts advanced	1,000
Amounts repaid	-
Amounts written off	-
Amounts waived	-
Balance outstanding at end of period	<u>1,000</u>

**M E Reynolds**

Balance outstanding at start of period	-
Amounts advanced	250
Amounts repaid	-
Amounts written off	-
Amounts waived	-
Balance outstanding at end of period	<u>250</u>

**14. DEFERRED TAX**

The company has not recognised a deferred tax asset in respect of losses carried forward of £8,793,960 due to material uncertainty described in note 2 of these financial statements.

**15. RELATED PARTY DISCLOSURES**

Mr J R M Price is also a director of Ridge and Partners LLP. During the year Ridge and Partners LLP provided consultancy services to the company amounting to £1,248,343.

Mr P E Rolton is also a director of Rolton Group Ltd. During the year Rolton Group Ltd provided consultancy services to the company amounting to £1,223,021.

**16. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party of the company is Mr O Nadjari.

**17. EVENTS AFTER THE REPORTING PERIOD**

After the period end, the company purchased UK factory site for £4m in Cambois near Blyth in Northumberland and received planning permission.

The company raised capital of £55.4m as part of the series A and B funding rounds.