

Company registration number 09891877 (England and Wales)

**BRAMBLE ENERGY LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



**BRAMBLE ENERGY LTD.**

**COMPANY INFORMATION**

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<b>Directors</b>	Dr T J Mason IP2IPO Services Limited Mr C G Scrivener Parkwalk Advisors Ltd Mr I Downing Mr R J Hulf (Appointed 14 February 2022) Mr J Schmitt (Appointed 1 March 2022) Mrs N Hodson (Appointed 12 March 2022. Resigned 31 March 2023)
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<b>Company number</b>	09891877
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<b>Registered Office</b>	6 Satellite Business Village Fleming Way Crawley RH10 9NE
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<b>Auditor</b>	KPMG LLP 1 Forest Gate Brighton Road Crawley RH11 9PT
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# BRAMBLE ENERGY LTD.

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# BRAMBLE ENERGY LTD.

## DIRECTORS' REPORT

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### Directors' Report

2022 was a pivotal year for Bramble Energy on multiple fronts. With significant new funding secured early in the year, the business was able to scale up both headcount and investment in facilities/ equipment which in turn has helped accelerate technical and commercial milestones through 2022 and into 2023. Key developments in the year include;

### Funding

On 14th February 2022 the business closed its successful Series B round of funding resulting in £35m of new cash injected into the business (£3m of which was used to satisfy convertible loan notes). These funds are being deployed to accelerate technical milestones, develop global commercial traction for Bramble Energy's PCBFC applications and expand the existing team. It is management's view that this fund-raise will negate the requirement for further cash injections into the business for cashflow purposes through 2023 and into 2025.

### Development Projects

During 2022 Bramble embarked on/completed a number of development projects across multiple applications (in conjunction with key partners), partially funded by state backed grant funding. These projects include;

- 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 will continue to be active in applying for further grant projects.

### Technological Milestones

During 2022 Bramble Energy successfully scaled the PCBFC (Printed Circuit Board Fuel Cell) both in laboratory and end applications, this activity will continue during 2023 with a fuel cell of 100kW the near term target. 2022 was also a year of milestones for Bramble Energy's Electrolysis application with Multi kW Electrolysis being successfully designed, developed and tested during the year. The scale up of Bramble's Electrolysis solution will continue through 2023.

### Commercial Traction

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

### 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 11.

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

# BRAMBLE ENERGY LTD.

## DIRECTORS' REPORT

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### 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 (Appointed 14 February 2022)  
Mr J Schmitt (Appointed 1 March 2022)  
Mrs N Hodson (Appointed 12 March 2022. 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

KPMG LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### 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.

### Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

*Tom Mason*

Tom Mason (May 25, 2023 08:09 GMT-1)

Dr T J Mason  
Director

## BRAMBLE ENERGY LTD.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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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 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.

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

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**Opinion**

We have audited the financial statements of Bramble Energy Limited ("the Company") for the year ended 31 December 2022 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 2022 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.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

**Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

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

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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 2022

We did not identify any additional fraud risks.

- 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

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

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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.

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**

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

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As explained more fully in their statement set out on page 6, 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.

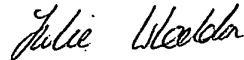
**Auditor's responsibilities for the audit of the financial statements**

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](http://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  
Chartered Accountants  
Statutory Auditor

1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

25 May 2023

BRAMBLE ENERGY LTD.

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Revenue	2	4,275	18,000
Cost of sales		(129,655)	-
<b>Gross (loss)/profit</b>		<b>(125,380)</b>	<b>18,000</b>
Other operating income	3	1,989,055	874,133
Administrative expenses		(10,967,432)	(4,053,173)
<b>Operating loss</b>	4	<b>(9,103,757)</b>	<b>(3,161,040)</b>
Finance income	6	47,919	2,824
Finance costs	7	(149,745)	(20,811)
<b>Loss before taxation</b>		<b>(9,205,583)</b>	<b>(3,179,027)</b>
Taxation	8	327,188	8,439
<b>Total comprehensive loss for the year</b>		<b>(8,878,395)</b>	<b>(3,170,588)</b>

BRAMBLE ENERGY LTD.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

		2022 £	2021 £
<b>Non-current assets</b>			
Intangible assets	9	460,154	355,334
Property, plant and equipment	10	10,140,102	3,134,060
		<u>10,600,256</u>	<u>3,489,394</u>
<b>Current assets</b>			
Inventories	11	589,456	-
Trade and other receivables	12	2,106,422	936,702
Current tax recoverable		-	16,365
Cash and cash equivalents		20,018,337	869,962
		<u>22,714,215</u>	<u>1,823,029</u>
<b>Current liabilities</b>			
Trade and other payables	15	1,863,333	317,251
Convertible loan notes	14	-	3,000,000
Lease liabilities	16	309,930	197,788
		<u>2,173,263</u>	<u>3,515,039</u>
<b>Net current assets/(liabilities)</b>		20,540,952	(1,692,010)
<b>Non-current liabilities</b>			
Lease liabilities	16	3,056,776	78,068
Long term provisions	17	290,861	25,000
		<u>3,347,637</u>	<u>103,068</u>
<b>Net assets</b>		<u>27,793,571</u>	<u>1,694,316</u>
<b>Equity</b>			
Called up share capital	18	161	72
Share premium account	20	41,235,310	6,258,717
Retained earnings		(13,441,900)	(4,564,473)
<b>Total equity</b>		<u>27,793,571</u>	<u>1,694,316</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 25 May 2023 and are signed on its behalf by:

*Tom Mason*  
Tom Mason (May 25, 2023 08:09 GMT+1)

Dr T J Mason  
Director  
Company registration number 098918

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Share Capital £	Share premium account £	Retained earnings £	Total £
Balance at 1 January 2021		68	6,258,626	(1,400,812)	4,857,882
Loss and total comprehensive income for the year		-	-	(3,170,588)	(3,170,588)
Transactions with owners in their capacity as owners					
Issue of share capital	18	4	91	-	95
Credit for equity settled share-based payments	19	-	-	6,927	6,927
<b>Balance at 31 December 2021</b>		<b>72</b>	<b>6,258,717</b>	<b>(4,564,473)</b>	<b>1,694,316</b>
Loss and total comprehensive income for the year		-	-	(8,878,395)	(8,878,395)
Issue of share capital	18	80	31,976,602	-	31,976,682
Conversion of loan	18	9	2,999,991	-	3,000,000
Credit for equity settled share-based payments	19	-	-	968	968
<b>Balance at 31 December 2022</b>		<b>161</b>	<b>41,235,310</b>	<b>(13,441,900)</b>	<b>27,793,571</b>

BRAMBLE ENERGY LTD.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>Cashflow form operating activities</b>			
Loss for the year		(8,878,395)	(3,170,588)
Adjustment for			
Taxation Credited		(327,188)	(8,439)
Finance Cost	7	149,745	20,811
Investment income	6	(47,919)	(2,824)
Deferred government grants		(1,989,055)	
Loss on disposal of property, plant & equipment	4	(33,746)	-
Amortisation and Impairment of intangible assets	9	50,838	28,237
Depreciation of property, plant and equipment	10	1,327,850	370,807
Equity Settled share based payment expense	4	968	6,927
Increase in provisions			25,000
		<u>(9,746,902)</u>	<u>(2,730,069)</u>
<b>Movements in working capital</b>			
Increase in inventories	11	(589,456)	-
Increase in trade and other receivables	12	(488,660)	(625,153)
Increase in trade and other payables	15	1,546,082	239,206
		<u>(9,278,936)</u>	<u>(3,116,016)</u>
<b>Cash absorbed by operations</b>			
Interest Paid		-	(20,811)
Income taxes refunded		343,553	74,371
<b>Net cash outflow from operating activities</b>		<u>(8,935,383)</u>	<u>(3,062,456)</u>
<b>Investing Activities</b>			
Purchase of Intangible assets	9	(156,026)	(85,823)
Purchase of property, plant and equipment	10	(4,266,212)	(2,443,323)
Proceeds from Grant Revenues		1,307,995	-
Interest received	6	47,919	2,824
<b>Net cash used in investing activities</b>		<u>(3,066,324)</u>	<u>(2,526,322)</u>
<b>Financing Activities</b>			
Proceeds from issue of shares		31,976,681	95
Issue of Convertible Loan notes			3,000,000
Payment of lease liabilities		(826,599)	(231,270)
<b>Net cash generated from financing activities</b>		<u>31,150,082</u>	<u>2,768,825</u>
<b>Net Increase/(decrease) in cash &amp; cash equivalents</b>		<u>19,148,375</u>	<u>(2,819,953)</u>
Cash and equivalents at beginning of year		869,962	3,689,915
<b>Cash and equivalents at end of year</b>		<u>20,018,337</u>	<u>869,962</u>

## **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 6 Satellite Business Village, Fleming Way, Crawley, RH10 9NE. The company's principal activities and nature of its operations are disclosed in the directors' report.

### **1.2 Accounting convention**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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**

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 performed a going concern assessment covering a period for at least twelve months from the date of approval of these financial statements in order to assess going concern.

These forecasts indicate that, taking account of reasonably plausible downsides on the operations and its financial resources, the Company will have sufficient funds to meet their liabilities as they fall due for that period.

The Company had a cash balance of £20.0 m at 31 December 2022 and has no external debt facilities. Based on latest, prudent projections management expect a positive cash balance into 2024. With relatively low cash burn, and following the successful Series B fundraising during 2022, management are confident in the ability of the business to raise equity and/or debt to significantly extend their cash runway as and when required.

The directors have prepared a base case forecast and a severe but plausible downside scenario covering a period for at least twelve months from the date of approval of these financial statements. In this severe but plausible scenario, the Company has sufficient liquidity for the period forecast for at least twelve months from the date of approval of these financial statements.

**BRAMBLE ENERGY LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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Consequently, the directors are confident that the Company will have resources to continue to meet their obligations as they fall due and continue in operational existence for at least 12 months from the date of approval of the financial statements and therefore have prepared these financial statements on a going concern basis.

**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 |

**BRAMBLE ENERGY LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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Improvements to property covers leasehold improvements to make the company's new site ready for use. The new site is still under construction at the reporting date. All improvements are depreciated over the remaining life of the lease. An impairment review has been conducted on the company's existing site and as of January 2022, depreciation on property improvements has been accelerated to represent the shortened lease life due to the company exercising its right to break from this lease.

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.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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**

**BRAMBLE ENERGY LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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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 Compound instruments**

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

**1.14 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.

**1.15 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.

#### 1.16 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.

#### 1.17 Employee benefits

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

#### 1.18 Retirement benefits

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

#### 1.19 Share-based payments

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. When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### 1.20 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.

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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.

#### **1.21 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".

#### **1.22 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

**BRAMBLE ENERGY LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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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.

**1.23 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. An internally generated intangible arising from developed or enhanced products is recognised only if ALL the following criteria are met:

- An asset created that can be identified related to new products or enhanced processes;
- It is probable the asset will generate future economic benefits;
- The product or process is technically and commercially feasible;
- The company intends and has the commercial and technical resources to complete development;
- The costs of the development can be measured reliably.

Development activities include the design, construction and testing of new fuel cell products. The expenditure capitalised includes material costs, but does not contain labour as considered immaterial in the reporting year and without sufficient evidence to reliably measure.

Capitalised development expenditure is stated at cost less accumulated amortisation less accumulated impairment losses. Amortisation is charged to write off the cost of the intangible assets less their residual values over its estimated useful life of 3 years on a straight line basis starting from the year of capitalisation.

**1.24 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 IAS 1 Presentation of Financial Statements, Non-current Liabilities with Covenants, Deferral of Effective Date Amendment (published 15 July 2020), Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (published 23 January 2020). IASB effective date 1st Jan 2024.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) IASB effective date 1st Jan 2023.
- Definition of Accounting Estimates (Amendments to IAS 8) IASB effective date 1st Jan 2023
- Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) IASB effective date 1st Jan 2023.

**1.25 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:

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**Capitalised Development Costs**

The company capitalises certain development costs that are amortised over three years starting from the year of capitalisation. 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 2022 management considered there to not be sufficient certainty over commercial viability to capitalise these costs.

**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.

**2.0 Revenue**

	2022 £	2021 £
<b>Revenue analysed by class of business</b>		
Revenue arising from principal activity	4,275	18,000

**3.0 Other Operating Income**

	2022 £	2021 £
<b>Other operating income</b>		
Grants received	1,989,055	874,133

BRAMBLE ENERGY LTD.  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2022

**4.0 Operating Loss**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Operating loss for the year is stated after charging/(crediting):</b>		
Exchange losses/(gains)	182	(8,658)
Research and development costs	2,851,982	1,138,293
Government grants	(1,989,055)	(874,133)
Depreciation of property, plant and equipment	1,327,850	370,807
Loss on disposal of property, plant and equipment & Intangibles	33,746	-
Amortisation of intangible assets	50,838	28,237
Share-based payments	968	6,927
<i>Auditor's remuneration</i>		
Audit of these financial statements	72,509	20,000

**5.0 Employees**

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

<b>2022</b>	<b>2021</b>
Number	Number
58	25

	<b>2022</b>	<b>2021</b>
	£	£
<b>Their aggregate remuneration comprised:</b>		
Wages and salaries	3,327,255	1,300,930
Share option expense	968	6,927
Social security costs	399,869	153,159
Pension costs	492,163	174,617
	<u>4,220,255</u>	<u>1,635,633</u>

**BRAMBLE ENERGY LTD.**  
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	<b>2022</b>	<b>2021</b>
	£	£
Directors remuneration:		
Remuneration for qualifying services	269,745	140,183
Company pension contributions to defined contribution schemes	31,109	23,933
	<u>300,854</u>	<u>164,116</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

	<b>2022</b>	<b>2021</b>
	£	£
Remuneration disclosed above include the following amounts paid to the highest paid director:		
Remuneration for qualifying services	170,787	ND
Company pension contributions to defined contribution schemes	31,109	ND
	<u>2,001,896</u>	<u>ND</u>

As total directors' remuneration was less than £200,000 in in the prior year, no disclosure is provided for that year.

**6.0 Investment income**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Interest income Bank deposits</b>		
Financial instruments measured at amortised cost:		
Bank deposits	<u>47,919</u>	<u>2,824</u>

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

**7.0 Finance costs**

	<b>2022</b>	<b>2021</b>
	£	£
Interest on lease liabilities / Dilapidations	<u>149,745</u>	<u>20,811</u>

**BRAMBLE ENERGY LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**8.0 Taxation**

	<b>2022</b>	<b>2021</b>
	£	£
Recognised in the income statement		
Current year tax expense	(327,188)	(8,439)
	<u>(327,188)</u>	<u>(8,439)</u>
Reconciliation of effective tax rate		
Loss on ordinary activities	(9,205,583)	(3,179,027)
Tax on loss on ordinary activities at standard CT rate of 19%	(1,749,061)	(604,015)
Effects of		
Fixed asset differences	(87,949)	-
Expenses not deductible for tax purposes	19,451	-
Other permanent differences	(30)	-
Other tax adjustments: reliefs and transfers	2,133	-
Adjustment to tax charge in respect of previous periods	(343,548)	(8,439)
Write off of prior year tax credit accrual	16,365	-
Current year losses for which no deferred tax was recognised	1,815,451	604,015
Tax credit for the period	<u>(327,188)</u>	<u>(8,439)</u>

No deferred tax asset has been recognised in respect of gross tax losses of £17.1 million (2021: £6.5 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 £4.3 million (2021: £1.6 million) has not been recognised.

The current tax rate used for the year is 19% based on rates already enacted in previous periods. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax at 31 December 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences

**BRAMBLE ENERGY LTD.**  
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**9.0 Intangible Assets**

	<b>Software</b>	<b>Patents &amp; Licenses</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1 January 2021	39,470	273,531	313,001
Additions	2,475	83,348	85,823
At 31 December 2021	<u>41,945</u>	<u>356,879</u>	<u>398,824</u>
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>
<b>Amortisation and impairment</b>			
At 1 January 2021	6,570	8,683	15,253
Charge for the year	12,699	15,538	28,237
At 31 December 2021	<u>19,269</u>	<u>24,221</u>	<u>43,490</u>
Charge for the year	31,147	19,691	50,838
Eliminated on disposals	-	(65)	(65)
At 31 December 2022	<u>50,416</u>	<u>43,847</u>	<u>94,263</u>
<b>Carrying amount</b>			
At 31 December 2022	<u>90,163</u>	<u>369,991</u>	<u>460,154</u>
At 31 December 2021	<u>22,676</u>	<u>332,658</u>	<u>355,334</u>
At 1 January 2021	<u>32,900</u>	<u>264,848</u>	<u>297,748</u>

The amortisation charge is recognised in administration expenses.

BRAMBLE ENERGY LTD.  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**10.0 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
	£	£	£	£	£	£	£	£
<b>Cost</b>								
At 1 January 2021	42,955	-	30,011	418,822	95,789	39,450	-	627,027
Additions	76,264	1,602,026	29,546	584,419	131,073	19,995	507,126	2,950,449
Disposals	-	-	-	-	(8,816)	-	-	(8,816)
At 31 December 2021	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
<b>Accumulated depreciation</b>								
At 1 January 2021	1,053	-	691	48,839	19,642	2,384	-	72,609
Charge for the year	7,194	-	3,239	175,959	47,275	11,008	126,132	370,807
Eliminated on disposal	-	-	-	-	(8,816)	-	-	(8,816)
At 31 December 2021	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
<b>Carrying amount</b>								
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 31 December 2021	110,972	1,602,026	55,627	778,443	159,945	46,053	380,994	3,134,060
At 1 January 2021	41,902	-	29,320	369,983	76,147	37,066	-	554,418

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.**  
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	<b>2022</b>	<b>2021</b>
	£	£
<b>Net values at the year end</b>		
Property	3,911,006	262,281
Motor vehicles	56,663	118,713
	<u>3,967,669</u>	<u>380,994</u>
<b>Total additions in the year</b>	4,188,389	507,126
<b>Depreciation charge for the year</b>		
Property	452,893	126,132
Motor vehicles	30,108	-
	<u>483,001</u>	<u>126,132</u>
<b>Interest Expense on Lease Liabilities</b>		
Property	141,036	20,811
Discount unwind on Dilapidations	2,667	-
Motor vehicles	6,042	-
	<u>149,745</u>	<u>20,811</u>
<b>Maturity analysis (Undiscounted cashflows)</b>		
Not later than one year	565,812	637,422
Later than one year and not more than five years	2,168,111	2,181,981
Later than five years	1,894,121	2,425,290
	<u>4,628,044</u>	<u>5,244,693</u>

**11.0 Inventories**

	<b>2022</b>	<b>2021</b>
	£	£
Raw materials	521,194	-
Finished goods	68,262	-
	<u>589,456</u>	<u>-</u>

Raw materials and changes in finished goods recognised as cost of sales in the year amounted to £3,872 (2021: £nil). The write down of inventories to net realisable value amounted to £124,023 (2021: £nil).

**BRAMBLE ENERGY LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**12.0 Trade and other receivables**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade receivables	1,050	-
VAT recoverable	428,205	384,212
Accrued Income	1,172,192	491,132
Other receivables	195,847	7,200
Prepayments	309,128	54,158
	<u>2,106,422</u>	<u>936,702</u>

The balance on accrued income is wholly grant revenues.

All financial instruments are held at amortised cost.

**13.0 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.

**14.0 Convertible loan notes**

The proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity as follows:

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the statement of financial position represents the effective interest rate less interest paid to that date.

The effective rate of interest is 0%.

Movements and balance at the period end	Liability
	£
Liability component at 1 January 2021	-
Issue of convertible loan notes	3,000,000
Liability component at 31 December 2021	3,000,000
Conversion	(3,000,000)
Liability component at 31 December 2022	-

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.

**BRAMBLE ENERGY LTD.**  
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**15 Trade and other payables**

	<b>2022</b>	<b>2021</b>
	£	£
Trade payables	1,105,584	67,859
Accruals	687,018	154,991
Social security and other taxation	52,766	94,401
Other payables	17,965	-
	<u>1,863,333</u>	<u>317,251</u>

All financial instruments are held at amortised cost.

**16 Lease liabilities**

	<b>2022</b>	<b>2021</b>
	£	£
Maturity analysis		
Within one year	309,930	197,788
In two to five years	1,414,738	78,068
Over five years	1,642,038	-
	<u>3,366,706</u>	<u>275,856</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:

	<b>2022</b>	<b>2021</b>
	£	£
Maturity analysis		
Current Liabilities	309,930	197,788
Non-current liabilities	3,056,776	78,068
	<u>3,366,706</u>	<u>275,856</u>

	<b>2022</b>	<b>2021</b>
	£	£
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	146,933	20,811

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.

**BRAMBLE ENERGY LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Lease liabilities</b>
	<b>£</b>
<b>Changes in liabilities from financing activities</b>	
At 1 January 2022	275,856
Additional leases in year	3,841,555
Interest	146,933
Amendments to lease in year	(71,039)
Payments	(826,599)
At 31 December 2022	<u>3,366,706</u>

**17 Provisions for liabilities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Provision for dilapidations on property leases	<u>290,861</u>	<u>25,000</u>

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

	<b>Provision for dilapidations on property leases</b>
	<b>£</b>
<b>Movements on provisions</b>	
At 1 January 2022	25,000
Additional provisions in the year	263,195
Unwinding of discount	2,667
At 31 December 2022	<u>290,862</u>

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)  
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18 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 2021	25,097	43,290	-	68,387	68	6,258,626
Subscription share issue (05/03/21)	-	-	1,709	1,709	2	41
Subscription share issue (31/03/21)	-	-	1,284	1,284	1	31
Subscription share issue (07/05/21)	-	-	812	812	1	19
31 December 2021	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)
Movement for the year	27	88,375	-	88,402	89	34,976,593
31 December 2022	25,124	131,665	3,805	160,594	161	41,235,310

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.  
£400k of transaction costs were settled via equity on completion of round B.

**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 2022**

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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.

**19 Share based payments**

	2022 Number	2021 Number	2022 Average exercise price	2021 Average exercise price
Outstanding at 1 January	17,097	2,376	23.00	132.73
Granted in the period	-	14,721	-	5.80
Exercise in the period	(27)	-	5.80	-
Outstanding at 31 December	<u>17,070</u>	<u>17,097</u>	5.80	23.00
Exercisable at 31 December	9,493	5,809		

The weighted average share price at the date of exercise for share options exercised during the year was £6.00 (2021 - £0.00).

***Options granted during the year***

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations. 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.

**BRAMBLE ENERGY LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Grant date	31 March 2021
Weighted average fair value	6.58
Inputs for model	
Weighted average share price	6.58
Weighted average exercise price	5.80
Expected volatility	0.1%
Expected life	3
Risk free rate	2.8%
Expected dividends yields	0%

**Options outstanding**

At the year end, the company has in issue various share options which can be exercised at various points between 2023 and 2025. All shares have an exercise price of £5.80, except for a 3,805 G shares, which are exercisable of £0.025 per share.

**Awards and Modification**

On 12 March 2019 stock options over 2,376 ordinary shares in the company were awarded to senior management with a strike price of £132.73. The options were exercisable over a period from grant date to 1 July 2022 and all options expire 10 years after grant date. The company recognised Share based payment costs of £55,269 in relation to these options. During 2021, the company re-priced these options. The strike price was reduced from £132.73 to the current market price of £6.58. The company issued a further 14,721 options to employees under the Share Option Scheme with an option price of £6.58. The company used the inputs noted above to measure the fair value of the old and new options.

	2022 £	2021 £
Expenses Related to equity settled share based payments	968	6,927

**20 Share premium account**

	2022 £	2021 £
At the beginning of the year	6,258,717	6,258,626
Issue of new shares	31,976,602	91
On conversion of loan note	2,999,991	-
At the end of the year	41,235,310	6,258,717

**BRAMBLE ENERGY LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**21 Capital commitments**

At 31 December 2022 the company had capital commitments as follows:

	<b>2022</b>	<b>2021</b>
	£	£
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	<u>876,350</u>	<u>1,752,634</u>

**22 Capital risk management**

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

**23 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.

	<b>2022</b>	<b>2021</b>
	£	£
Short-term employee benefits	269,745	140,183
Post-employment benefits	31,109	23,933
Share-based payments	-	4,205
Total	<u>300,854</u>	<u>168,321</u>

Other transactions with related parties

The following amounts were outstanding at the reporting end date

	<b>2022</b>	<b>2021</b>
	£	£
<b>Amounts due to related parties</b>		
Entities with joint control or significant influence over the company	<u>-</u>	<u>3,000,000</u>

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.

There were also advisory fees of £400k relating to advisory on the Series B fund raise this was settled by equity in Feb 2022.

**BRAMBLE ENERGY LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**24 Ultimate controlling party**

As of the 31st December 2022 Bramble has no ultimate controlling party.