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Registered number:
04303233

EQUIPMAKE HOLDINGS PLC
(formerly Equipmake (Holdings) Limited)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

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COMPANIES HOUSE

EQUIPMAKE HOLDINGS PLC (FORMERLY EQUIPMAKE (HOLDINGS) LIMITED)

COMPANY INFORMATION

Directors	Ian Foley Steven McGillivray (appointed 6 May 2022) James Bishop (appointed 6 May 2022) Dena Bellamy (appointed 29 July 2022) Jonathan Beasley (appointed 29 July 2022) Clive Scrivener (appointed 29 July 2022)
Registered number	04303233
Registered office	Unit 7 Snetterton Business Park Snetterton Norfolk England NR16 2JU
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Accountants	Price Bailey LLP 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR

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CHIEF EXECUTIVE OFFICER'S REVIEW
FOR THE YEAR ENDED 31 MAY 2022

Introduction

We delivered a strong performance in FY 2022, with revenue ahead of expectations prior to our IPO on the Aqius Access Exchange and a rebalanced revenue mix, as commercial and production contracts revenue rose by 51.9% against FY 2021. This performance was driven by growth in orders and their subsequent conversion to contracts, as the global move towards a zero-emission transport network continues to accelerate.

Business Overview

We secured several major contracts during the year, including a multi-year production contract to supply our ASIL-D compliant motor drive inverter to a leading European electric hyper-car developer. This is a major milestone for the Company, marking the transition from an R&D phase into production. Delivery commenced in October 2021 and this inverter is now being utilised in one of the fastest accelerating production cars in the world.

The Company also started working with a division of FirstGroup, First York Limited, to fully convert 12 Optare Versa buses from an EV Generation one system to Equipmake's Zero Emission Drivetrain. This project, one of a number of similar projects we are exploring, is in line with our strategy to retrofit older, typically diesel or diesel-electric hybrid engine buses, extending lifespans and reducing emissions associated with manufacturing new vehicles. We expect to deliver the first of these vehicles to First York during Q4 2022.

We delivered two bespoke EV drivetrains for Fire Trucks to Emergency One, the UK's leading manufacturer of fire and rescue vehicles, one of which is being actively marketed by one of the largest suppliers of fire trucks in the USA.

In addition, we entered a non-binding Memorandum of Understanding (MoU) with a major Tier 1 Indian supplier to the global automotive industry, to help establish a manufacturing plant in India to manufacture EV powertrains, their sub-systems, and components for passenger buses and/or heavy commercial vehicles utilising Equipmake IP.

Whilst the main commercial focus of the Company remains the development of heavy-duty powertrain systems for buses and fire trucks globally, we continue to make progress in other sectors.

During the period. the Company announced it had been chosen as a development partner of Gilmour Space of Australia who are developing a low earth orbit satellite launch rocket. The project requires a high performance (low weight) solution, and Equipmake has already achieved the target specification and delivered the first product to Gilmour who have incorporated the Company's cutting-edge motors and inverters to power the rocket fuel pumps. The first prototype units have been delivered and successfully trialled. The first rocket is due to launch in 2023, with production units due to be supplied in 2024.

Aerospace projects such as this solidify Equipmake's reputation in the marketplace as a leading developer of high-performance electric drivetrain technology and have led to interest from several other companies in the sector.

Ahead of our IPO, we strengthened our board, appointing James Bishop as COO Steven McGillivray as CFO. Clive Scrivener, Jonathan Beasley, and Dena Bellamy also joined as independent non-executive directors, all of whom bring a wealth of experience to the Equipmake board, invaluable as we execute our growth strategy.

CHIEF EXECUTIVE OFFICER'S REVIEW
FOR THE YEAR ENDED 31 MAY 2022

Current Trading

On 29th July 2022, Equipmake Holdings PLC was admitted to the Aquis Stock Exchange Growth Market (ticker: EQIP), raising gross proceeds of £10m (before expenses), which are being invested in executing the Company's growth strategy. We are investing in capacity and people to meet the increasing production demand, with work on our proposed additional site extension due to commence in Q1 2023. This will allow us to convert and deliver our substantial medium-term pipeline. As the fundraising was completed after our financial year end, the results here do not reflect the impact of this investment in the business.

The business is trading in line with management expectations, with positive momentum maintained into the current financial year. Delivery of contracts secured in the previous financial year is on track, and discussions with new and existing customers regarding projects across both our core bus market and adjacent markets are ongoing. We continue to develop our range of electrification products, investing significantly in R&D through FY22 and into the current year.

Post-year end, in collaboration with our South American partner, Agrale, Equipmake successfully launched an electric bus in Argentina featuring the Company's latest-generation zero-emission powertrain. The bus has successfully completed pre-service trials and commenced in-service trials in November 2022.

On 18th August 2022, we signed a non-binding MOU with PT Transportasi Jakarta and PT Vktr Teknologi Mobilitas for an implementation plan for an electric bus retrofit trial in Jakarta, Indonesia. This underlines progress made in respect of bus opportunities in Indonesia, with our strong local partnerships ensuring Equipmake is well placed to capitalise on these. Development of the first trial vehicle is underway, with trials in Jakarta expected to start in Q2 2023.

With support from Transport for London (TfL), Equipmake recently showcased an all-electric repower of the Iconic London Routemaster bus at the main industry bus show, Euro Bus Expo in November 2022, commencing pre-service trials with Metroline immediately following this. The bus, which features a 400kWh battery (with an expected in-service range of 150 miles), will complete in-service trials over a six-month period and will provide valuable test data as TfL continues to evaluate a range of clean technologies, including state-of-the-art repower systems such as Equipmake's Zero Emission Drivetrain.

Outlook

The successes detailed above have been achieved in a challenging environment for the industry, with electronic component shortages causing supply risk and inflationary pressures. Our vertically integrated model, which means that we are the design authority for most of our systems, has provided resilience to these challenges, enabling us to navigate difficulties and maintain supply whilst controlling costs.

While we remain mindful of challenges, we are encouraged by the level of demand and interest in both our core bus markets and the adjacent markets we are exploring. Equipmake continues to be well-positioned in these highly favourable markets, with strong EV market growth expected in line with the ongoing global decarbonisation movement.

As outlined at the time of the IPO, we remain fully committed to growing the business and to that end, are focused on investing in the following areas:

- Capital and operational expenditure to establish a manufacturing facility, providing the capacity to deliver up to 250 vehicles per year
- Securing additional in-house expertise and adding human resources to facilitate the scaling-up process
- Ongoing training of our workforce to ensure we remain at the forefront of the industry
- Securing long-term resilient supply chain relationships for key components

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Our expectations for FY 2023 are underpinned by work already fully contracted, with advanced discussions underway to facilitate the conversion of the current significant medium-term pipeline into orders giving us confidence in the outlook for the Company.

This report was approved by the board on 22 November 2022 and signed on its behalf.

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Ian Foley
Chief Executive Officer

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2022

Introduction

The directors present their strategic report and the audited financial consolidated statements for the year ended 31 May 2022. The company acts as a holding company for Equipmake Limited, collectively referred to as Equipmake.

Principal activity

Equipmake is a UK-based technology company which has developed a range of electrification products for the provision of electric vehicle drivetrains to meet the needs of the automotive, aerospace and other sectors in support of the transition from fossil-fuelled to zero-emission powertrains.

Business model

Through its vertically integrated business model, Equipmake designs and manufactures a significant number of the core technologies that constitute an electric drivetrain (motors, inverters, battery packs, control systems) and integrates all of these components into a working system. The components or system is sold to an OEM, or in the case of a bus retrofit, to the end user (bus operator).

Whilst Equipmake is active in a number of markets, it has prioritised the bus sector as a target market for its retrofit and new bus product offerings. To exploit the opportunities in this market, it has during the year:

- With support from Innovate UK and the Advanced Propulsion Centre (APC), successfully developed:
  - a prototype double deck bus for the London market
  - a retrofit solution for TfL Routemaster buses
  - a single deck bus for the South American market
- Established a partnership with South American chassis manufacturer Agrale S.A. to develop a fully electric bus chassis. Vehicle launched in October 22 and in-service trials to commence in Q4 2022 in Buenos Aires.
- Established a new bus collaboration with Spanish Bus Coachbuilder Beulas SAU to develop a double deck bus for the UK market
- Signed a non-binding MOU with PT Vktr Technologi Mobilitas for either the supply, assembly, or manufacture of certain parts of the electric vehicle for the Indonesian market
- Signed a non-binding MOU with a major Indian Tier 1 company supplying the global automotive industry, in relation to establishing a manufacturing plant in India to make EV powertrains and their sub-systems and components for passenger buses and/or heavy commercial vehicles by using Equipmake IP

It also sits on the Bus Working Group of the Zemo Partnership (formally the Low Carbon Vehicle Partnership), a not-for-profit body which helps shape government policy around the transition to zero emission vehicles.

Business review

Equipmake has continued to develop its range of electrification products and successfully started production of its ASIL-D compliant motor drive inverter. This, alongside other commercial contracts, has driven a 51.9% increase in revenue from commercial and production contracts to £2.67m (2021: £1.76m). Total revenue increased by 2.9% to £3.71m (2021: £3.60m). As anticipated, grant revenue decreased by £0.8m to £1.04m (2021: £1.84m) due to the completion of all grant projects during the year.

Gross margin of -£6.09m for the period includes costs associated with the delivery of the partially funded grant projects as well as Equipmake's self-funded R&D and is in line with expectations. Administration costs have increased over the course of the year due to continued investment into the business.

In January 2022, prior to its IPO, Equipmake secured £3m of investment from an existing shareholder in the form of a convertible loan note enabling the Company to maintain the momentum that it had from the grant projects and continue its growth strategy. As a result, interest charged in the year increased to £0.15m (2021: £0.02m).

Post period end, the loan was converted into equity as part of the IPO process at a 20% discount to the market rate. The 2022 accounts include a £0.75m fair value charge in respect of this (2021: nil).

As a result of the share options granted during the year, the accounts include a share-based payments charge of £0.57m (2021: nil). The calculation and assumptions underpinning this charge are detailed in note 28.

Other key performance indicators

The Directors monitor the business internally with several performance indicators: order intake, cash flow, health and safety, adherence to plan and quality. The board has assessed results against these KPI's and are happy with the progress that has been made.

Order intake, calculated using the value of sales orders received, was £9,010,000 for the financial year. This underpins the financial forecast for the next financial year and beyond.

Cash at 31st May 2022 was £1,876,083 (2021: £3,841,299), reflecting the significant investment made in the business during the financial year.

Management meetings are held weekly, and all senior managers discuss production, engineering, financial and quality issues.

Principal risks and uncertainties

The directors continuously review and take steps to ensure that the risks and uncertainties faced by the Company and its subsidiary are appropriately managed and mitigated against. These risks are categorised in the table below.

Risk	Description	Mitigation strategy
Financial risks – Price risk	The Group is exposed to price variations in respect of its purchases and its sales price.	Contractual clauses to flex the sales price when there are unavoidable significant increases in component costs. Maintain strong relationships with customers and suppliers to facilitate lower cost alternatives.
Financial risks – Liquidity risk	The Group is currently loss making and therefore requires access to cash to fund development	Post balance sheet date, the Company secured £10m gross funds via an IPO on the Aquis Access Exchange. The listing provides access to investors and transparency to investors of market value.
Financial risks – foreign exchange risk	The Group is exposed to foreign exchange risk with a small number of overseas customers and procures certain components in foreign currency	When no natural hedge is possible and the currency exposure cannot be avoided, the company will utilise forward contracts to hedge against foreign exchange risk.
Operational risks – supply chain risk	Reliance on key suppliers / single source components. Supply chain disruptions.	In-house engineering of components to design products around multi-sourced commodities. In-house Procurement expertise to identify component shortages and dynamically manage stock levels.
Operational risks – execution risk	The Group is introducing new products and technology to the market	In-house testing process that exceeds customer requirements coupled with operational trials.

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Risk	Description	Mitigation strategy
		Maintain strong relationships with customers and establish a strong after-sales team to address in-field issues.
Operational risks – Dependence on key executives and personnel	The Group's success depends to a significant degree upon the vision, technical and specialist skills, experience and performance of its Directors, senior management and other key personnel.	Contractual terms and incentives to retain existing employees. Plans to invest in formal training and development programme to facilitate development of in-house talent.
Intellectual Property (IP) risks	The Group may not be able to sufficiently protect its IP and proprietary expertise	The Group reduces this risk by utilising the services of patent and trademark attorney and technology is patented where possible. It also controls access to the technology through software controls and encryptions.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022

Directors' statement of compliance with duty to promote the success of the Group (Section 172 (1) Statement)

Section 172 of the Companies Act 2006 requires that Directors of a company must act in ways that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other maters) to –

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with supports, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Company

The board has identified the following stakeholder groups and engages with them to foster strong relations and to act fairly between them:

- Customers: Equipmake engages with customers at all stages of the project life cycle – from concept design through to the production phase and after sales service and support. This is mutually beneficial and ensures that relationships with customers are not purely transactional and are instead focused on long term relationships. This is demonstrated through the award of a production contract by a leading European electric hyper-car customer, who has been a client for a number of years.
- Employees: our employees are critical to the long-term success of Equipmake and it has introduced a strategy which rewards and retains its staff. Staff received share options post year-end and the Company is addressing development needs through in-house and external training.
- Grant bodies and other government agencies: Equipmake has benefited from a number of Innovate UK Research and Development grants in recent years and maintains a good relationship with the grant issuing bodies. The Advanced Propulsion Centre (APC) has supported multiple projects and participated in press events post-completion of the grant projects.
- Investors and shareholders: Prior to the IPO, the CEO engaged with private investors regularly and ensured that they were kept informed of business activities. The strength of this relationship is demonstrated by the Company receiving multiple rounds of investment from a group of investors. Post-IPO, the Company will engage with investors through its annual and interim reports, AGM and analyst and investor presentations.
- Partnerships: Equipmake has established partnerships with multiple companies to facilitate the exploitation of the opportunities in the bus market.

This report was approved by the board on 22 November 2022 and signed on its behalf.

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Ian Foley
Chief Executive Officer

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2022

The directors present their report and the financial statements for the year ended 31 May 2022. On the 1 April 2022 the company re-registered from a private company to a public company. As a result, the name of the company was changed from Equipmake (Holdings) Limited to Equipmake Holdings Plc.

Principal activity

The principal activity of the group's business was that of the provision of electric power train solutions for global automotive, aerospace, marine, construction & bus markets. This is through the company's subsidiary undertaking Equipmake Limited.

The principal activity of Equipmake Holdings Plc was that of a holding company.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £5,310,231 (2021 - loss £1,675,937). A dividend of £395,000 was declared and paid in the year.

Directors

The directors who served during the year were:

Ian Foley
Steven McGillivray (appointed 6 May 2022)
James Bishop (appointed 6 May 2022)

On 29th July 2022, Clive Scrivener was appointed as an independent non-executive Chairman, Dena Bellamy and Jonathan Beasley were appointed as independent non-executive directors.

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Future developments

The Group's future development and strategy is covered in the Chief Executive Officer's report.

Engagement with suppliers, customers and others

Board engagement with stakeholders is explained in more detail in the s172(1) disclosure section of the strategic report.

Research and Development

Equipmake actively pursues research and development and incurred £4.2m of qualifying research and development expenditure in the year (2021: £3.4m)

Greenhouse gas emissions, energy consumption and energy efficiency action

Equipmake Holdings PLC has not included the requirements of the Streamlined Energy and Carbon Reporting (SECR) due to the Group and its subsidiaries not meeting the threshold for reporting.

Going concern

Company law requires the directors to consider the appropriateness of the going concern basis when preparing the financial statements. Having considered the financial forecasts to December 2023, the Directors confirm that they consider that the going concern basis remains appropriate. Following the IPO in July 2022, the Directors believe that the Group has sufficient financial resources to meet its commitments for the foreseeable future.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

The following post balance sheet events have occurred since the year-end:

- On 16 June 22, the Company approved the grant of share options over 32,825,283 Ordinary Shares.
- On 28 July 22, the Company issued 191,440,779 £0.0001 Ordinary Shares at an issue price of £0.0425.
- On 29 July 22, the Company issued 43,853,336 £0.0001 Ordinary Shares at an issue price of £0.0425.
- On 29 July 22, the Company was admitted to the Aquis Access Stock Exchange (Ticker: EQIP)
- On 29 July 22, options over a number of A ordinary shares vested. The options over A ordinary shares equate to 1.5% of the post-IPO ordinary share capital – 13,380,542 shares.

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Auditors

Haysmacintyre LLP were appointed as auditors 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 to the general meeting.

This report was approved by the board on 22 November 2022 and signed on its behalf.

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Ian Foley
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUIPMAKE HOLDINGS PLC (FORMERLY EQUIPMAKE (HOLDINGS) LIMITED)

Opinion

We have audited the consolidated financial statements of Equipmake Holdings Plc for the year ended 31 May 2022, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 May 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUIPMAKE HOLDINGS PLC (FORMERLY EQUIPMAKE (HOLDINGS) LIMITED) (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the group and parent company 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 group and parent company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Group Strategic Report and the Directors' Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUIPMAKE HOLDINGS PLC (FORMERLY EQUIPMAKE (HOLDINGS) LIMITED) (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's and the parent 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 Group or the parent 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 consolidated 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 Group 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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- We obtained an understanding of the legal and regulatory requirements applicable to the group and parent company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK tax legislation. We obtained and understanding of how the group and parent company comply with these requirements by discussions with management and those charged with governance;

- We assessed the risk of material misstatement of the financial statements, including the risk of misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;

- We inquired of management and those charged with governance as to any known instances non-compliance with or suspected non-compliance of laws and regulation;

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUIPMAKE HOLDINGS PLC (FORMERLY EQUIPMAKE (HOLDINGS) LIMITED) (CONTINUED)

- We evaluated management's controls designed to prevent and detect irregularities;
- We identified and tested accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- We challenged assumptions and judgements made by management in their critical accounting estimates.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on the Financial Reporting Council's website at: 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.

DocuSigned by:
Christopher Cork
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Christopher Cork (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

10 Queen Street Place
London
EC4R 1AG
22 November 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2022

	Note	2022 £	As restated 2021 £
Turnover	4	3,706,785	3,603,568
Cost of sales		(6,087,868)	(4,640,103)
Gross loss		(2,381,083)	(1,036,535)
Administrative expenses		(1,919,378)	(1,032,513)
Other operating income	5	565,132	495,143
Share based payment charge	28	(574,227)	-
Fair value adjustment - convertible loan note	23	(750,000)	-
Operating loss	6	(5,059,556)	(1,573,905)
Interest receivable and similar income	10	(1,182)	3,534
Interest payable and similar expenses	11	(144,994)	(22,727)
Loss before taxation		(5,205,732)	(1,593,098)
Tax on loss	12	(104,499)	(82,839)
Loss for the financial year		(5,310,231)	(1,675,937)
Total comprehensive income for the year		(5,310,231)	(1,675,937)
(Loss) for the year attributable to:			
Non-controlling interests		(692,772)	(418,976)
Owners of the parent Company		(4,617,459)	(1,256,961)
		(5,310,231)	(1,675,937)
Basic loss per share in pence	26	(22.6)	(60.0)

The notes on pages 24 to 50 form part of these financial statements.

EQUIPMAKE HOLDINGS PLC (FORMERLY EQUIPMAKE (HOLDINGS) LIMITED)
REGISTERED NUMBER: 04303233

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2022

	Note		2022 £		As restated 2021 £
Fixed assets					
Tangible assets	15		527,139		612,560
			527,139		612,560
Current assets					
Stocks	17	807,973		44,447	
Debtors: amounts falling due within one year	18	1,920,728		1,384,768	
Cash at bank and in hand	19	1,876,083		3,841,299	
		4,604,784		5,270,514	
Creditors: amounts falling due within one year	20	(5,794,645)		(1,277,149)	
Net current (liabilities)/assets			(1,189,861)		3,993,365
Total assets less current liabilities			(662,722)		4,605,925
Creditors: amounts falling due after more than one year	21		(307,169)		(455,099)
Provisions for liabilities					
Other provisions	24	(44,057)		-	
			(44,057)		-
Net (liabilities)/assets			(1,013,948)		4,150,826
Capital and reserves					
Called up share capital	25		50,000		2
Other reserves	27		5,748,311		5,835,579
Profit and loss account	27		(7,386,486)		(2,987,394)
Share-based payments reserve	27		574,227		-
Equity attributable to owners of the parent Company			(1,013,948)		2,848,187
Non-controlling interests			-		1,302,639
			(1,013,948)		4,150,826

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CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 November 2022

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Ian Foley
Chief Executive Officer

The notes on pages 24 to 50 form part of these financial statements.

EQUIPMAKE HOLDINGS PLC (FORMERLY EQUIPMAKE (HOLDINGS) LIMITED)
REGISTERED NUMBER: 04303233

COMPANY BALANCE SHEET
AS AT 31 MAY 2022

	Note		2022 £		As restated 2021 £
Fixed assets					
Investments	16		6,458,087		82
			6,458,087		82
Current assets					
Debtors: amounts falling due within one year	18	1,269,386		99,264	
Cash at bank and in hand	19	1,737,118		337,206	
		3,006,504		436,470	
Creditors: amounts falling due within one year	20	(3,859,315)		-	
Net current (liabilities)/assets			(852,811)		436,470
Total assets less current liabilities			5,602,276		436,552
Net assets			5,602,276		436,552
Capital and reserves					
Called up share capital	25		50,000		2
Other reserves	27		4,962,502		-
Merger relief reserve	27		849,982		
Profit and loss account	27		(831,435)		436,550
Share-based payments reserve	27		574,227		-
			5,605,276		436,552

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £876,485 (2021: £34).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 November 2022

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Ian Foley
Chief Executive Officer

The notes on pages 24 to 50 form part of these financial statements.

EQUIPMAKE HOLDINGS PLC (FORMERLY EQUIPMAKE (HOLDINGS) LIMITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2022

	Called up share capital	Other reserves	Profit and loss account	Share-based payments reserve	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 June 2021 (as previously stated)	2	5,835,579	(1,203,929)	-	4,631,652	1,398,394	6,030,046
Prior year adjustment (note 29)	-	-	(1,783,465)	-	(1,783,465)	(95,755)	(1,879,220)
At 1 June 2021 (as restated)	2	5,835,579	(2,987,394)	-	2,848,187	1,302,639	4,150,826
Comprehensive income for the year							
Loss for the year	-	-	(4,617,459)	-	(4,617,459)	(692,772)	(5,310,231)
Total comprehensive income for the year	-	-	(4,617,459)	-	(4,617,459)	(692,772)	(5,310,231)
Reclassify non-controlling interest following share-for-share exchange	-	-	609,867	-	609,867	(609,867)	-
Dividends: Equity capital	-	-	(395,000)	-	(395,000)	-	(395,000)
Share-based payments movement	-	-	-	574,227	574,227	-	574,227
Share-for-share exchange	16,000	(49,770)	-	-	(33,770)	-	(33,770)
Issue of B shares	5,000,000	(5,000,000)	-	-	-	-	-
Cancellation of B shares	(5,000,000)	5,000,000	-	-	-	-	-
Purchase of own shares	(3,500)	-	3,500	-	-	-	-
Bonus issue of shares	37,498	(37,498)	-	-	-	-	-
Total transactions with owners	49,998	(87,268)	218,367	574,227	145,457	-	145,457
At 31 May 2022	50,000	5,748,311	(7,386,486)	574,227	(1,013,948)	-	(1,013,948)

The notes on pages 24 to 50 form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021

	Called up share capital	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£	£
At 1 June 2020 (as previously stated)	2	5,835,579	188,616	6,024,197	1,862,565	7,886,762
Prior year adjustment (note 29)	-	-	(1,919,050)	(1,919,050)	(140,950)	(2,060,000)
At 1 June 2020 (as restated)	2	5,835,579	(1,730,434)	4,105,147	1,721,615	5,826,762
Comprehensive income for the year						
Loss for the year	-	-	(1,256,960)	(1,256,960)	(418,976)	(1,675,936)
At 31 May 2021	2	5,835,579	(2,987,394)	2,848,187	1,302,639	4,150,826

The notes on pages 24 to 50 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2022

	Called up share capital	Other reserves	Merger relief reserve	Profit and loss account	Share-based payments reserve	Total equity
	£	£	£	£	£	£
At 1 June 2020	2	-	-	436,584	-	436,586
Comprehensive income for the year						
Loss for the year	-	-	-	(34)	-	(34)
At 1 June 2021	2	-	-	436,550	-	436,552
Comprehensive income for the year						
Loss for the year	-	-	-	(876,485)	-	(876,485)
Contributions by and distributions to owners						
Dividends: Equity capital	-	-	-	(395,000)	-	(395,000)
Share-based payments charge	-	-	-	-	574,227	574,227
Share-for-share exchange	16,000		5,849,982	-	-	5,865,982
Issue of B shares	5,000,000		(5,000,000)	-	-	-
Cancellation of B shares	(5,000,000)	5,000,000	-	-	-	-
Purchase of own shares	(3,500)	-	-	3,500	-	-
Bonus issue of shares	37,498	(37,498)	-	-		-
Total transactions with owners	49,998	4,962,502	849,982	(1,267,985)	574,227	5,168,724
At 31 May 2022	50,000	4,962,502	849,982	(831,435)	574,227	5,605,276

The notes on pages 24 to 50 form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(5,310,231)	(1,675,937)
Adjustments for:		
Depreciation of tangible assets	220,668	265,858
Loss on disposal of tangible assets	-	25,268
Interest paid	144,994	22,727
Interest received	1,182	(3,534)
RDEC Taxation credit (net)	(445,496)	(353,149)
(Increase) in stocks	(763,526)	(44,447)
(Increase)/decrease in debtors	(443,613)	73,218
Increase in creditors	598,558	738,546
Increase in provisions	44,057	-
Corporation tax received	353,149	239,451
Share-based payments charge	574,227	-
Fair value losses - convertible loan	750,000	-
Stamp duty paid on share-for-share exchange	(33,770)	-
Net cash generated from operating activities	(4,309,801)	(711,999)
Cash flows from investing activities		
Purchase of tangible fixed assets	(135,248)	(452,491)
Interest received	-	3,534
Net cash from investing activities	(135,248)	(448,957)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022

	2022 £	2021 £
Cash flows from financing activities		
New finance leases and hire purchase contracts	-	289,350
Repayment of obligations under finance leases and hire purchase contracts	(89,488)	(64,440)
Dividends paid	(395,000)	-
Interest paid	(35,679)	(22,727)
New convertible loan	3,000,000	-
Net cash used in financing activities	2,479,833	202,183
Net (decrease) in cash and cash equivalents	(1,965,216)	(958,773)
Cash and cash equivalents at beginning of year	3,841,299	4,800,072
Cash and cash equivalents at the end of year	1,876,083	3,841,299
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,876,083	3,841,299
	1,876,083	3,841,299

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MAY 2022

	At 1 June 2021 £	Cash flows £	Payments made in year £	Fair value adjustments £	At 31 May 2022 £
Cash at bank and in hand	3,841,299	(1,965,216)	-	-	1,876,083
Finance leases	(534,168)	-	89,487	-	(444,681)
Convertible loan notes	-	(3,000,000)		(750,000)	(3,750,000)
	3,307,131	(4,965,216)	89,487	(750,000)	(2,318,598)

The notes on pages 24 to 50 form part of these financial statements.

1. General information

Equipmake (Holdings) Plc is a public company limited by shares incorporated in England and Wales. The company registration number is 04303233. The registered office is Unit 7, Snetterton Business Park, Snetterton, Norfolk, NR16 2JU.

The group consists of the parent Equipmake (Holdings) Limited and subsidiary Equipmake Limited. All group entities are included within the consolidation

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. During the year, the company has acquired the remaining 25% shareholding in Equipmake Limited. Under FRS102 and Business Combinations, the company has applied fair value accounting for this acquisition, which has led to an uplift in valuation of £5,849,982.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 June 2016.

2. Accounting policies (continued)

2.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company and group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors have prepared detailed forecasts, models and cash flows (which cover a period in excess of 12 months from the date of approval of these financial statements), in order to support the going concern assumption for which these accounts are prepared. Although the Group has experienced a loss in the year, this is as expected due to the Group being in the development phase for a significant portion of its product line.

The Group has previously received investment and government grants to support the development phase of operations. Post year-end, the Company raised £10m of gross funding via an IPO on the Aquis Access Stock Exchange. This listing provides the Group with sufficient funds to meet the financial requirements of its growth plan for a period in excess that required for the going concern assumption. The Group will carefully monitor cash spend over the course of the ensuing year to ensure that it has sufficient funding as it moves into the production phase.

The Directors believe that due to the ongoing development of the Group's products and its considerable pipeline of opportunities, they remain a going concern and therefore confirm that it is appropriate to prepare the accounts on a going concern basis.

As a result the directors believe that the company and group will be able to continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements. Consequently the financial statements have been prepared on a going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding trade discounts, and net of VAT. Revenue is recognised on delivery of those goods and services or in the period in which related costs are incurred.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Expenditure on internally generated development is recognised as an expense when incurred.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only. No development costs are currently capitalised.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss as other income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income within turnover in the same period as the related expenditure, which is recognised in cost of sales. These grants relate to the primary function of the business and facilitate the delivery of the Group's primary purpose. Other grants are shown within other operating income.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2. Accounting policies (continued)

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.12 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.13 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

2. Accounting policies (continued)

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence. This includes fair value adjustments in respect of the convertible loan notes and transaction costs associated with the IPO.

In respect of the IPO transactions fees, any costs incurred in the current financial year have been prepaid and will be expensed when the future economic benefits are expected to flow to the entity. Fees prepaid in 2022 £123,894 (2021: nil).

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	-	20% Straight line
Plant and machinery	-	20 - 33% Straight line
Specialist assets	-	50% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets under development are recognised at their cost. No depreciation is charged on these assets until the assets are complete and available for use.

2.16 Investments

Investments in subsidiaries are initially measured at cost at acquisition and reviewed for impairment at each reporting date, with any movement in the fair value recognised in the profit and loss. Where an investment is acquired in stages, it may be more appropriate to recognise the fair value during initial recognition and then assess the deemed cost for impairment at each reporting date.

The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are required immediately in the profit and loss account.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2. Accounting policies (continued)

2.18 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.20 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.22 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from third parties, loans to related parties and investments in ordinary shares.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.23 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.24 Correction of prior period error

The comparative figures have been restated to correct the account treatment of the intangible asset for the product exploitation rights and correction of understated accruals and reclassification of expenditure. Details of this restatement can be found in note 29.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date include:

Warranty provision
Provision is made for warranties. This requires management's best estimate of the expenditure that will be incurred in respect of warranty claims, which are detailed in the terms and conditions of sale. For further details on the provision value, see note 13.

Valuation of investment – share-for-share exchange
During the year, a share-for-share exchange was completed which required the Directors to make a judgement as to the number of Equipmake Holdings shares to issue for each Equipmake Limited share. At the time of the share exchange, it was management's view is that the value of the Group is derived from the operating company (Equipmake Limited) and it was therefore appropriate to swap a 25% shareholding in the subsidiary for a 25% shareholding in the parent company.

The fair value calculation includes judgements and assumptions regarding the value of the company and the discount factor used to reflect the lack of control that is inherent in a 25% investment.

Share based payments
Some of Equipmake Holdings Plc's employees have been granted share options by the company. The fair value of these options on the date of grant has been determined using the Black Scholes Model. The directors consider this the most suitable model for calculating the fair value of the options. For further details, see note 28.

The management believe that there will not be only one acceptable choice for estimating the fair value of share- based payment arrangements. The judgements and estimates that management apply in determination of the share- based compensation are summarised below:

- Selection of a valuation model
- Making assumptions used in determining the variables used in a valuation model
    - i. expected life
    - ii. expected volatility
    - iii. expected dividend yield
    - iv. expected probability of market conditions being met for the difference tranches of share options

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Impairment of investments and inter-company receivable

The directors have assessed the valuation of the investment in Equipmake Limited (subsidiary) and inter-company receivable held in Equipmake Holdings PLC, at the balance sheet date. The Directors believe that due to the ongoing development of the Company's products and its considerable pipeline of opportunities (along with the raising of £10m of gross funding via an IPO on the Aquis Access Stock Exchange for Equipmake Holdings Plc, which will further enhance the capabilities and resources of Equipmake Limited), that this investment is not impaired.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	As restated 2021 £
Commercial contracts	2,254,443	1,759,086
Grants receivable	1,035,396	1,844,482
Production contracts	416,946	-
	3,706,785	3,603,568

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	2,588,683	2,280,693
Rest of Europe	391,646	683,166
Rest of world	649,816	327,154
Far East	76,640	312,557
	3,706,785	3,603,570

5. Other operating income

	2022 £	2021 £
Government grants receivable	15,136	59,155
RDEC claim	549,996	435,988
	565,132	495,143

6. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Operating lease payments - property	174,211	157,381
Operating lease payments - other	32,995	11,501
Depreciation of tangible fixed assets	220,668	265,858
Foreign exchange loss/(gain)	8,081	7,079
Loss on the sale of tangible fixed assets	-	25,268
Share-based payments	574,227	-
Research and development costs *	4,230,735	3,445,842
Fair value adjustment - convertible loan	750,000	-

* Based on qualifying R&D expenditure

7. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	65,000	20,700

Fees payable to the Group's auditor and its associates in respect of:

	2022 £	2021 £
Taxation compliance services	-	1,000
Reporting accountant services	60,000	-
All other services	1,200	2,500
	61,200	3,500

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	2,537,185	2,155,931	-	-
Social security costs	278,944	223,339	-	-
Cost of defined contribution scheme	88,286	81,143	-	-
Share based payments	574,227	-		
	3,478,642	2,460,413	-	-

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Employees	69	58

The Company has no employees other than the directors, who did not receive any remuneration *(2021 - £NIL)*

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	102,218	101,500
Group contributions to defined contribution pension schemes	40,220	40,110
Share-based payments	442,714	-
	585,152	141,610

During the year retirement benefits were accruing to 3 directors (2021 - 2) in respect of defined contribution pension schemes. The number of directors who received shares under long term incentive schemes was 1 (2021 – nil).

The highest paid director's emoluments were as follows:
Directors' emoluments and amounts receivable under long-term incentive schemes £449,099 (inclusive of £442,714 related to share-based payments) (2021: £90,000)
Group contributions to defined contribution pension schemes £110 (2021: £40,000)

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10. Interest receivable

	2022 £	2021 £
Other interest (payable)/receivable	(1,182)	3,534
	(1,182)	3,534

11. Interest payable and similar expenses

	2022 £	2021 £
Loan interest payable	32,526	21,479
Other interest payable	112,468	1,194
	144,994	22,673

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on RDEC	104,499	82,839
	104,499	82,839
Total current tax	104,499	82,839
Deferred tax		
Total deferred tax	-	-
Taxation on loss on ordinary activities	104,499	82,839

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(5,205,732)	(1,593,098)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(989,089)	(302,689)
Effects of:		
Unrecognised deferred tax assets	607,688	362,998
Expenses not deductible for tax purposes	265,650	12,801
Adjustments in respect of prior periods	11,252	9,729
Total tax charge for the year	104,499	82,839

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantially enacted as part of the 2021 Budget on 24 May 2021. This included an increase to the main rate from 19% to 25% from April 2023. The company will be taxed at a rate of 25% unless its profits are sufficiently low enough to qualify for a lower rate of tax, the lowest being 19%.

Where applicable, deferred taxes at the balance sheet date have been measured using tax rates between 19% and 25% to reflect the rate of the timing differences are likely to unwind and are reflected in the financial statements.

Deferred tax is not recognised in respect of losses of £8,281,504 (2021: £4,034,060) due to the uncertainty that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

13. Dividends

	2022 £	2021 £
Ordinary dividends	395,000	-
	395,000	-

14. Intangible assets

Group (as restated)

	Computer software £
Cost	
At 1 June 2021	11,471
At 31 May 2022	11,471
Amortisation	
At 1 June 2021	11,471
At 31 May 2022	11,471
Net book value	
At 31 May 2022	-
At 31 May 2021	-

No intangible assets are held within the parent company.

15. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Specialist assets £	Assets in development £	Total £
Cost or valuation					
At 1 June 2021	55,452	722,037	502,119	-	1,279,608
Additions	25,144	58,820	-	51,283	135,247
At 31 May 2022	80,596	780,857	502,119	51,283	1,414,855
Depreciation					
At 1 June 2021	18,347	223,807	424,894	-	667,048
Charge for the year on owned assets	11,509	131,934	77,225	-	220,668
At 31 May 2022	29,856	355,741	502,119	-	887,716
Net book value					
At 31 May 2022	50,740	425,116	-	51,283	527,139
At 31 May 2021	37,105	498,230	77,225	-	612,560

Specialist/technical plant and equipment relates to project specific equipment whose value is consumed over the life of the relevant project. Cost of such assets are therefore written off over the minimum project duration.

No tangible assets are held within the parent company.

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2021	82
Additions	33,795
Fair value of addition arising on share-for-share exchange	5,849,982
Other movements – share-based payments	574,228
At 31 May 2022	6,458,087

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Equipmake Limited	Unit 7 Snetterton Business Park, Snetterton, Norfolk, NR16 2JU, England	Ordinary/ Deferred	100%

During the year, the company has acquired the remaining 25% shareholding in Equipmake Limited. Under FRS102 and Business Combinations, the company has applied fair value accounting for this acquisition, which has led to an uplift in valuation of £5,849,982.

17. Stocks

	Group 2022 £	Group 2021 £
Work in progress	197,418	-
Raw materials	610,555	44,447
	807,973	44,447

All stock is held within the subsidiary company Equipmake Limited.

18. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	533,740	353,182	-	-
Amounts owed by group undertakings	-	-	1,265,867	99,264
Other debtors	230,956	67,831	3,429	-
Prepayments and accrued income	710,536	610,606	90	-
Tax recoverable	445,496	353,149	-	-
	1,920,728	1,384,768	1,269,386	99,264

19. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	1,876,083	3,841,299	1,737,118	337,206
	1,876,083	3,841,299	1,737,118	337,206

20. Creditors: Amounts falling due within one year

	Group 2022 £	Group As restated 2021 £	Company 2022 £	Company 2021 £
Trade creditors	546,807	104,291	-	-
Other taxation and social security	85,371	65,259	-	-
Obligations under finance lease and hire purchase contracts	137,512	79,069	-	-
Other creditors	144,163	30,776	109,315	-
Convertible loan notes	3,750,000	-	3,750,000	
Accruals and deferred income	1,130,792	997,754	-	-
	5,794,645	1,277,149	3,859,315	-

On 18 January 2022, the company issued convertible loan notes for £3,000,000. These have subsequently been recognised at fair value at the end of the reporting period (see note 23). The loan notes will convert to ordinary shares immediately upon either the listing of the company or the longstop date (31 December 2022). Until the loan notes convert, interest is accrued on the principal amount at 10% per annum.

21. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £
Net obligations under finance leases and hire purchase contracts	307,169	455,099
	307,169	455,099

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £
Within one year	137,512	79,069
Between 1-5 years	307,169	455,099
	444,681	534,168

	Group 2022 £	Group 2021 £
HP Loan 1 - Societe Generale - £69,300 at 2.49%. Repayable until November 2023	22,573	38,071
HP Loan 2 - Societe Generale - £278,010 at 2.70%. Repayable until December 2024	152,870	206,747
HP Loan 3 - Quantum Funding Ltd - £87,750 at 5.51%. Repayable until November 2025	78,539	87,750
HP Loan 4 - Quantum Funding Ltd - £201,600 at 4.33%. Repayable until February 2026	190,699	201,600
	444,681	534,168

23. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Other financial assets measured at amortised cost	931,438	941,681	1,265,295	99,264
Financial liabilities				
Other financial liabilities measured at amortised cost	(1,277,014)	(922,519)	-	-
Other financial liabilities measured at fair value through profit or loss	(3,859,315)	-	(3,859,315)	-

Financial assets that are debt instruments measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by associated undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, loans, and amounts due under hire purchase.

Other financial liabilities measured at fair value through profit and loss comprise of a convertible loan note which is included in full in creditors due within 1 year. The fair value of this, has been assessed at the undiscounted value of the loan, which is £3,750,000, plus expected interest payable of £109,315. As at the 31 May 2022, there was a fair value adjustment of £750,000.

24. Provisions

Group

	Warranty provision £
Charged to profit or loss	44,057
At 31 May 2022	44,057

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25. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
500,000,000 (2021 - 2) Ordinary B shares of £0.00010 (2021: £1) each	50,000	2

The following amendments to Share Capital took place in the year:

	Number
At 1 June 2021 - Ordinary shares of £1 each	2
Bonus issue - Ordinary shares of £1 each	81
	83
Sub-division of £1 ordinary shares into £0.0001 ordinary shares	830,000
Bonus issue - Ordinary shares of £0.0001 each	374,170,000
Share-for-share exchange - Ordinary shares of £0.0001 each	125,000,000
At 31 May 2022 - Ordinary shares of £0.0001 each	500,000,000

The following other movements in relation to Share Capital are as follows:

On 18 January 2022, the company acquired the remaining 25 ordinary shares in its subsidiary by way of a share exchange. This has been recognised at 18 January 2022 as the legal form of the share reorganisation has been satisfied, however, the forms duly stamped with Stamp Duty have not yet been returned by HMRC and therefore have not yet been entered into the statutory books and records.

On 28 February 2022 3,500,000 deferred shares (nominal value of £0.0001 each) were repurchased by the company and subsequently cancelled.

On 24 March 2022, the company capitalised £5,000,000 of the merger reserve and issued B Ordinary shares to the value of £5,000,000 to existing shareholders of the company. On the 25 March 2022, the company entered into a reduction in capital releasing £5,000,000 to other distributable reserves and the shares were subsequently cancelled.

26. Earnings per share

Basic loss per share of 22.6p (2021: 60.0p) is based on the following data:

	2022	2021
Earnings used in calculation of total earnings per share:		
Earnings on total losses attributable to equity holders of the parent	(4,617,459)	(1,256,961)
Shares in issue		
Weighted average number of ordinary £0.0001 shares in issue	208,333,375	208,333,375
Earnings/(loss) per share		
On total losses attributable to equity holders of the parent	(0.0226)	(0.0060)

The Group had no dilutive or potentially dilutive instruments at any point during either of the years presented.

27. Reserves

Other reserves - Group

Brought forward other reserves comprise the amount attributable to the owners of the Company following the issue of shares in the subsidiary at a premium to non-controlling interests in previous financial periods.

Other reserves – Company

£5,000,000 was capitalised and appropriated as capital to existing shareholders in the form of 5,000,000 £1 B ordinary shares during the financial year. These shares were subsequently cancelled.

As a result of the reduction in capital which resulted in the cancellation of 5,000,000 £1 B ordinary shares during the financial year, £5,000,000 has been credited against the proceeds of this issue.

Share-based payments reserve – Group and Company

Used to reflect the assessed fair value of the equity settled options issued as share-based payments.

Merger relief reserve – Company only

The merger relief reserve accounts for the uncapitalised fair value adjustment in respect of the investment in the wholly owned subsidiary Equipmake Limited which is eliminated on consolidation and therefore not presented on a group basis. £5,000,000 was capitalised and appropriated as capital to existing shareholders in the form of 5,000,000 £1 B ordinary shares during the financial year. These shares were subsequently cancelled.

Profit and loss account – Group and Company

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

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28. Share-based payments

The company operates an equity-based share-based remuneration scheme for employees. The fair value is measured by use of the Black Scholes option pricing method. Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant 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. If options remain unexercised after a period of 10 years from the date of grant, the options expire.

The vesting criteria of the options is based on the exit price (vesting of option on an exit event other than a listing) or the company value on the exercise date (vesting of option on listing). Across all option holders, 1.5% of the fully diluted share capital vested when the company completed the IPO in July 2022. A further 1% would vest when the company value exceeds £200m. A further 1% would vest when the company value exceeds £400m. 0.5% would vest when the company value exceeds £800m.

Under schemes listed below, options have been granted to subscribe for the following number of additional A Ordinary shares of £0.0001 each in the capital of the company.

The company granted share options on the 26 November 2021 with 138,888 options granted in respect of A Ordinary shares of £0.0001 each.

The EMI Options shall lapse on the tenth anniversary of the Grant Date, or if the Exit Event is a Listing, it shall lapse on the tenth anniversary of the Listing Date (other lapses conditions are outlined in the Options Agreement).

The company also granted non-EMI options in the year, which were subsequently cancelled and re-issued post-year end. The revised non-EMI options updated the terms of the agreements to prevent dilution on a listing. Subject to the EMI options being capable of exercise in full, the recipients will be granted the option to acquire a number of A Ordinary shares which, when added to the A Ordinary shares issuable on exercise of the EMI options, equates to 4% of the fully diluted share capital. These options shall lapse on the same date as the EMI options.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Granted during the year	0.000001	138,888		-
Outstanding at the end of the year	0.000001	138,888		-

	2022	2021
Option pricing model used	Black Scholes	
Weighted average share price (pence)	3012	
Exercise price (pence)	0.000001	
Weighted average contractual life (days)	365	

28. Share-based payments (continued)

Expected volatility	50.79%
Risk-free interest rate	0.612%

	2022 £	2021 £
Equity-settled schemes recognised in the profit or loss for the year	574,227	-
	574,227	-

29. Prior year adjustment

	At 31/05/20			At 31/05/21		
	As previously reported	**Adjustment**	**As restated**	**As previously reported**	**Adjustment**	**As restated**
P&L -						
Cost of sales	(3,667,412)	-	(3,667,412)	(4,853,843)	213,740	(4,640,103)
Administrative costs	(818,998)	240,000	(578,998)	(999,552)	(32,961)	(1,032,513)
Other operating income	52,865	295,618	348,483	59,155	435,988	495,143
Tax on loss	258,572	(295,618)	(37,046)	353,149	(435,988)	(82,839)
Loss for the financial year	(1,141,554)	240,000	(901,554)	(1,856,716)	180,779	1,675,937
Non-controlling interest	(232,160)	48,800	(183,360)	(464,171)	45,195	(418,976)
Owners of the parent company	(909,394)	191,200	(718,194)	(1,392,545)	135,584	(1,256,961)
Balance Sheet -						
Intangible assets	2,060,000	(2,060,000)	-	1,820,000	(1,820,000)	-
Creditors: amounts falling due within one year	(525,274)	-	(525,274)	(1,217,930)	(59,220)	(1,277,150)
Profit and loss account	188,616	(1,919,050)	(1,730,434)	(1,203,929)	(1,783,465)	(2,987,394)
Non-controlling interests	1,862,565	(140,950)	1,721,615	1,398,394	(95,755)	1,302,639
Net assets	7,886,762	(2,060,000)	5,826,762	6,030,046	(1,879,220)	4,150,826

(a) Removal of intangible asset (product exploitation rights)
As part of the due diligence process (in anticipation of the parent company Equipmake Plc being admitted to the Aquis Access Stock Exchange), it was identified that the treatment of the intangible asset for the product exploitation rights was not in accordance with FRS102. As a result, this amount has been removed as a prior year adjustment. The impact is as follows:

2020: £2,060,000 of cost removed from intangible assets, being the brought forward net book value. £240,000 of amortisation removed for the financial year.
2021: £1,820,000 of cost removed from intangible assets, being the brought forward net book value. £240,000 of amortisation removed for the financial year.

(b) Additional accruals
During the review process of the interim accounts for 2022, it was identified that two unposted accruals that were immaterial to the May 2021 accounts were having a material impact on the 2022 interim figures.

This adjustment only relates to the 2021 accounts. The amounts are as follows:
Commission payable totalling £24,000, levy charges totalling £35,220. Total adjustment of £59,220.

(c) Reclassification of costs between cost of sales and administrative expenses
In the previous year, there was a reclassification of £213,740 from Cost of Sales, to Administration expenses due to an incorrect treatment of staff costs between the expenditure categories. Historically, the business has not included staffing as overheads, but as it has grown, it has recruited support staff and general management. This was the case in the prior year, which has led to the reclassification of staffing costs in expenditure.

(d) Reclassification of RDEC claim
Given that the RDEC R&D claims are classed as taxable income, the Company has decided to reclassify the gross RDEC claim as other income and show the tax on the RDEC claim within the tax line. The prior year comparatives have been adjusted accordingly.

30. Capital commitments

At 31 May 2022 the Group and Company had capital commitments as follows:

	Group 2022 £	Group 2021 £
Contracted for but not provided in these financial statements	66,267	-

31. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £40,825 (2021: £41,033). Contributions totalling £20,642 (2021: £19,132) were payable to the fund at the balance sheet date and are included in creditors.

32. Commitments under operating leases

At 31 May 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	205,130	151,732
Later than 1 year and not later than 5 years	512,635	475,313
	717,765	627,045

33. Related party transactions

At the year end, Equipmake Holdings Plc was owed £1,265,867 (2021: £99,264) by its subsidiary company Equipmake Limited. This loan is interest free and repayable on demand. The Key Management Personnel of Equipmake Limited are the same as Equipmake Holdings Plc, being the Directors.

The following director loans existed during the year within the consolidated figures:

The balance bought forward on the director loan account was £4,192 (2021: £10,848). During the year there were drawings of £1,242 (2021: £15,040) and repayments of £5,364 (2021: £21,696) with a carry forward balance owed to the company of £70 (2021: £4,192). No interest was charged during the year (2021:£Nil).

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34. Post balance sheet events

The following events have occurred since the year-end:

On 16 June 22, the Company approved the grant of share options over 32,825,283 Ordinary Shares.

On 28 July 22, the Company issued 191,440,779 £0.0001 Ordinary Shares at an issue price of £0.0425.

On 29 July 22, the Company issued 43,853,336 £0.0001 Ordinary Shares at an issue price of £0.0425.

Total gross proceeds received by virtue of the shares issued on 28 July 2022 and 29 July 2022 was £10,000,000 (approximately £9,000,000 after fees). IPO fees prepaid in the year of £123,894 will be reversed post year-end.

On 29 July 22, the Company was admitted to the Aquis Access Stock Exchange (Ticker: EQIP)

On 29 July 22, options over a number of A ordinary shares vested. The options over A ordinary shares equate to 1.5% of the post-IPO ordinary share capital – 13,380,542 shares.

35. Controlling party

The ultimate controlling party of the group, by virtue of his majority shareholding, is Ian Foley.
As at 31st May 2022, Ian Foley controlled 75% via his majority shareholding. Post-listing, his control has been reduced to 45.54%.