Registered number: 04941671

MOIXA ENERGY HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

COMPANY INFORMATION

Directors	E Franklin K Girotra
Company secretary	E Franklin
Registered number	04941671
Registered office	55 Baker Street London W1U 7EU
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 103 Colmore Row Birmingham B3 3AG

MOIXA ENERGY HOLDINGS LIMITED

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

The directors present their Group Strategic Report for the Moixa Energy Holding Group for the year ending 31 December 2023.

Business review

The consolidated operating profit, a pivotal metric for assessing the business's performance, has declined to £5,531,978 (compared to £6,371,159 in 2022). This decrease can be attributed to several anticipated factors. Following the acquisition of Lunar Energy Limited by the ultimate parent in 2021, the decision was made to discontinue the sale of hardware products in the UK business. Additionally, there was a reduction in intercompany revenue stemming from utilising intellectual property generated by the Moixa Energy Holdings Group before the acquisition.

Conversely, revenues from the ongoing software business have surged by 53% annually, primarily fuelled by growth from software clients. Despite these fluctuations, the year's results reflect a favourable outcome, and the financial position of the UK group at year-end was deemed satisfactory, with promising opportunities anticipated for the following year.

Principal risks and uncertainties

Objectives and Policies

The ultimate parent entity supports the group in its ongoing activities, defined in an arm's length transfer pricing agreement and a signed letter of support provided by the ultimate parent.

Interest Rate Risk

The Group is funded by its ultimate parent company and has no borrowings from external sources; therefore, the risk from interest rate fluctuations is minimal.

Currency Risk

The Group trades in markets other than the United Kingdom. The Group minimises the risk of currency fluctuations by holding bank accounts in both US Dollars and Euros.

Liquidity Risk

The Group manages its cash requirements centrally with the ultimate parent entity; whilst the Group has sufficient liquid resources to meet the operating needs of the business, there is also a letter of support from the ultimate parent.

Credit Risk

Credit risk arises on financial instruments such as trade debtors, and controls are in place when onboarding new clients to check creditworthiness. After onboarding, the collections team communicates with key internal commercial stakeholders when items fall past due and exposure is minimised.

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

E Franklin
Director

Date: 5 April 2024

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Principal activity

The principal activity of the Group is software sales, with research activity into home energy and portable power technology development and manufacture, taking forward development activity on renewable energy and monitoring systems for homes.

Results and dividends

The profit for the year, after taxation, amounted to £7,147,124 *(2022 - £6,398,801)*.

No dividends were paid or proposed during the year *(2022 - £Nil)*.

Directors

The directors who served during the year were:

E Franklin
K Girotra

Going concern

The Group continues to rely on the ultimate parent company, Lunar Energy, Inc., for financial support. Moixa Energy Holdings Limited has a net intercompany liability of £20,619,733 with the Group's ultimate parent company, Lunar Energy, Inc.

The Group meets its day-to-day working capital requirements through the cash resources within the Lunar Energy, Inc. Group. Lunar Energy, Inc. has signed a letter of support confirming it would not call for repayment of the intercompany debt of £20,619,733 owed by Moixa Energy Holdings Limited for a period of at least 12 months from the date of signing the financial statements until it has sufficient cash resources to do so.

The ultimate parent company has instructed that the intercompany creditor in Moixa Energy Holdings Limited with the ultimate parent, Lunar Energy, Inc, is to be offset against the intercompany creditor in Lunar Energy Limited with Moixa Energy Holdings Limited, leaving only an intercompany debtor from the ultimate parent in Lunar Energy Limited's books .The set off arrangement is being documented but has not yet been effected.

Funds transferred from Lunar Energy, Inc. to the UK Group entities (specifically Moixa Energy Holdings and Lunar Energy Limited) are in GBP and are to be assigned against the intercompany receivable in Lunar Energy Limited for the UK Group entities. As of December 31, 2023, Lunar Energy Inc. holds an intercompany balance payable in GBP amounting to £9,481,834.73 with Lunar Energy Limited.

The Group has drawn up budgets and cash flow forecasts, which show that it has sufficient cash reserves to continue as a going concern and meet its liabilities as they fall due, subject to the continued financial support of the ultimate parent company.

On this basis, the financial statements have been prepared on a going concern.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Qualifying third party indemnity provisions

The Group has indemnified the directors of the Group against liability of proceedings brought by third parties subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and continues to be in force as at the date of this report. The Group has purchased directors' and officers' liability insurance.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

E Franklin
Director

Date: 5 April 2024

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

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 judgements and accounting estimates that are reasonable and prudent; and

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOIXA ENERGY HOLDINGS LIMITED

Opinion
We have audited the financial statements of Moixa Energy Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern
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 and 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.

Emphasis of matter – reliance on financial support

We draw your attention to note 2.3 of the financial statements, which explains that the Parent Company (and Group) relies on the support of its ultimate parent company, Lunar Energy Inc. Our opinion is not modified in respect of this matter.

Other information
The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 their 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.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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

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:

We obtained an understanding of the Group's legal and regulatory framework through enquiry of management concerning: their understanding of the relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Group's industry and regulation,

We understand that the Group complies with the framework through:

- Outsourcing statutory accounts preparation and tax compliance to external experts.
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change.
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Group's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Group:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries, particularly as the size of the Group means there is little opportunity for segregation of duties.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Substantive work on material areas affecting profits, particularly revenue recognition, including agreement of a sample of transactions to underlying documentation.
- Testing manual journal entries, selected based on specific risk assessments applied focusing particularly on postings to unexpected or unusual accounts.
- Challenging management regarding assumptions used in the estimates identified above, and comparison to market data and post year end data as appropriate.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOIXA ENERGY HOLDINGS LIMITED (CONTINUED)

Use of our report
This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Drew (Senior Statutory Auditor)

for and on behalf of
CLA Evelyn Partners Limited

Chartered Accountants
Statutory Auditor

103 Colmore Row
Birmingham
B3 3AG

5 April 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	*2022* *£*
Turnover	4	**17,007,020**	*17,930,850*
Cost of sales		**(927,548)**	*(1,620,893)*
Gross profit		**16,079,472**	*16,309,957*
Administrative expenses		**(10,547,494)**	*(9,938,798)*
Operating profit	5	**5,531,978**	*6,371,159*
Interest receivable and similar income	9	**27,084**	*2,457*
Profit before taxation		**5,559,062**	*6,373,616*
Tax on profit	10	**1,588,062**	*25,185*
Profit for the financial year		**7,147,124**	*6,398,801*

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 19 to 36 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £		*As restated* *2022* *£*
Fixed assets					
Tangible assets	11		**26,554**		*16,794*
			26,554		*16,794*
Current assets					
Debtors: amounts falling due within one year	13	**33,306,754**		*18,173,181*	
Cash at bank and in hand		**2,523,297**		*4,938,348*	
		35,830,051		*23,111,529*	
Creditors: amounts falling due within one year	14	**(21,390,512)**		*(16,229,430)*	
Net current assets			**14,439,539**		*6,882,099*
Total assets less current liabilities			**14,466,093**		*6,898,893*
Creditors: amounts falling due after more than one year	15		**(13,466)**		*(58,058)*
Provisions for liabilities					
Other provisions	17		**(595,486)**		*(509,194)*
Net assets			**13,857,141**		*6,331,641*
Capital and reserves					
Called up share capital	18		**460**		*460*
Share premium account	19		**22,506,030**		*22,506,030*
Share-based payment reserve	19		**378,376**		-
Profit and loss account	19		**(9,027,725)**		*(16,174,849)*
Shareholders' funds			**13,857,141**		*6,331,641*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

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

E Franklin
Director

Date: 5 April 2024

The notes on pages 19 to 36 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £		*As restated* *2022* *£*
Fixed assets					
Investments	12		**2,000,255**		*2,000,255*
			2,000,255		*2,000,255*
Current assets					
Debtors: amounts falling due within one year	13	**36,351,361**		*27,568,515*	
Cash at bank and in hand		**1,861,584**		*4,049,724*	
		38,212,945		*31,618,239*	
Creditors: amounts falling due within one year	14	**(20,630,640)**		*(14,445,944)*	
Net current assets			**17,582,305**		*17,172,295*
Net assets			**19,582,560**		*19,172,550*
Capital and reserves					
Called up share capital	18		**460**		*460*
Share premium account	19		**22,112,144**		*22,112,144*
Profit and loss account brought forward		**(2,940,054)**		*(2,848,842)*	
Profit/(loss) for the year		**410,010**		*(91,212)*	
Profit and loss account carried forward	19		**(2,530,044)**		*(2,940,054)*
Shareholders' funds			**19,582,560**		*19,172,550*

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

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

E Franklin
Director

Date: 5 April 2024

The notes on pages 19 to 36 form part of these financial statements.

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

	Called up share capital	Share premium account	Foreign exchange reserve	Share-based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2022	**460**	**22,506,030**	**-**	**-**	**(22,573,650)**	**(67,160)**
Comprehensive income for the year						
Profit for the year	-	-	-	-	6,398,801	6,398,801
At 1 January 2023 (as previously stated)	**460**	**22,506,030**	**(199,746)**	**-**	**(16,174,849)**	**6,131,895**
Prior year adjustment - correction of error (note 21)	-	-	199,746	-	-	199,746
At 1 January 2023 (as restated)	**460**	**22,506,030**	**-**	**-**	**(16,174,849)**	**6,331,641**
Comprehensive income for the year						
Profit for the year	-	-	-	-	7,147,124	7,147,124
Contributions by and distributions to owners						
Share-based payment movement	-	-	-	378,376	-	378,376
At 31 December 2023	**460**	**22,506,030**	**-**	**378,376**	**(9,027,725)**	**13,857,141**

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

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	**460**	**22,112,144**	**-**	**(2,848,842)**	**19,263,762**
Comprehensive income for the year					
Loss for the year	-	-	-	(91,212)	(91,212)
At 1 January 2023 (as previously stated)	**460**	**22,112,144**	**(1,029,193)**	**(2,940,054)**	**18,143,357**
Prior year adjustment - correction of error (note 21)	-	-	1,029,193	-	1,029,193
At 1 January 2023 (as restated)	**460**	**22,112,144**	**-**	**(2,940,054)**	**19,172,550**
Comprehensive income for the year					
Profit for the year	-	-	-	410,010	410,010
At 31 December 2023	**460**	**22,112,144**	**-**	**(2,530,044)**	**19,582,560**

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

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	**7,147,124**	*6,398,801*
Adjustments for:		
Depreciation of tangible assets	**4,690**	*14,097*
Loss on disposal of tangible assets	-	*(144,840)*
Interest received	**(26,764)**	*(2,457)*
Taxation charge	**(1,588,062)**	*(25,185)*
Decrease in stocks	-	*500,967*
(Increase) in debtors	**(13,545,511)**	*(17,037,060)*
Increase in creditors	**5,120,390**	*14,520,327*
Increase/(decrease) in provisions	**86,292**	*(337,806)*
Share-based payment movement	**378,376**	-
Net cash generated from operating activities	**(2,423,465)**	*3,886,844*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(14,450)**	*(47,440)*
Sale of tangible fixed assets	-	*293,951*
Interest received	**26,764**	*2,457*
Net cash from investing activities	**12,314**	*248,968*
Net (decrease)/increase in cash and cash equivalents	**(2,411,151)**	*4,135,812*
Cash and cash equivalents at beginning of year	**4,934,448**	*798,636*
Cash and cash equivalents at the end of year	**2,523,297**	*4,934,448*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**2,523,297**	*4,938,348*
Bank overdrafts	-	*(3,900)*
	2,523,297	*4,934,448*

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2023

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	4,938,348	(2,415,051)	2,523,297
Bank overdrafts	(3,900)	3,900	-
	4,934,448	(2,411,151)	2,523,297

1. General information

Moixa Energy Holdings Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 04941671). The registered office address is 55 Baker Street, London, W1U 7EU.

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 judgement 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.

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Group and the Parent Company would be identical;

No Statement of Cash Flows has been presented for the Parent Company; and

No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

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. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. Accounting policies (continued)

2.3 Going concern

The Group continues to rely on the ultimate parent company, Lunar Energy, Inc., for financial support. Moixa Energy Holdings Limited has a net intercompany liability of £20,619,733 with the Group's ultimate parent company, Lunar Energy, Inc.

The Group meets its day-to-day working capital requirements through the cash resources within the Lunar Energy, Inc. Group. Lunar Energy, Inc. has signed a letter of support confirming it would not call for repayment of the intercompany debt of £20,619,733 owed by Moixa Energy Holdings Limited for a period of at least 12 months from the date of signing the financial statements until it has sufficient cash resources to do so.

The ultimate parent company has instructed that the intercompany creditor in Moixa Energy Holdings Limited with the ultimate parent, Lunar Energy, Inc, is to be offset against the intercompany creditor in Lunar Energy Limited with Moixa Energy Holdings Limited, leaving only an intercompany debtor from the ultimate parent in Lunar Energy Limited's books .The set off arrangement is being documented but has not yet been effected.

Funds transferred from Lunar Energy, Inc. to the UK Group entities (specifically Moixa Energy Holdings and Lunar Energy Limited) are in GBP and are to be assigned against the intercompany receivable in Lunar Energy Limited for the UK Group entities. As of December 31, 2023, Lunar Energy Inc. holds an intercompany balance payable in GBP amounting to £9,481,834.73 with Lunar Energy Limited.

The Group has drawn up budgets and cash flow forecasts, which show that it has sufficient cash reserves to continue as a going concern and meet its liabilities as they fall due, subject to the continued financial support of the ultimate parent company.

On this basis, the financial statements have been prepared on a going concern.

2. Accounting policies (continued)

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

the Group has transferred the significant risks and rewards of ownership to the buyer;

the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

the amount of turnover can be measured reliably;

it is probable that the Group will receive the consideration due under the transaction; and

the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

the amount of turnover can be measured reliably;

it is probable that the Group will receive the consideration due under the contract;

the stage of completion of the contract at the end of the reporting period can be measured reliably; and

the costs incurred and the costs to complete the contract can be measured reliably.

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.

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. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

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.

2. Accounting policies (continued)

2.8 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Long-term leasehold property	-	50%	on cost
Motor vehicles	-	20%	on cost
Fixtures and fittings	-	20%	on cost
Computer equipment	-	20%	on cost

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.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

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. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.14 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. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Warranty provision

The Group's hardware products are subject to defects and technological developments. As a result it is necessary to consider an associated provision. Management estimate is required in making the assessment of the future costs relating to recycling & unit replacements, compensation and maintenance of hardware products under warranty.

Share-based payments

The Group makes an estimate of the fair value using the Black Scholes model and reviews the inputs to this when necessary, see note 20.

4. Turnover

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

	2023	*2022*
	£	*£*
Hardware	**15,991**	*569,570*
Software	**2,204,777**	*1,464,654*
Group services	**14,786,252**	*15,896,626*
	17,007,020	*17,930,850*

Analysis of turnover by country of destination:

	2023	*2022*
	£	*£*
United Kingdom	**2,220,768**	*2,034,224*
Rest of the world	**14,786,252**	*15,896,626*
	17,007,020	*17,930,850*

5. Operating profit

The operating profit is stated after charging:

	2023	2022
	£	£
Research & development credit	**(465,696)**	-
Exchange differences	**7,014**	*8,405*
Operating lease rentals	**185,800**	*296,838*
Depreciation of tangible fixed assets	**4,690**	*14,097*

6. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2023	2022
	£	£
Fees payable to the Group's auditor for the audit of the consolidated and Parent Company's financial statements	**53,550**	*72,960*

Fees payable to the Company's auditor in respect of:		
Taxation compliance services	**14,530**	*13,750*
Accounts preparation	**9,450**	*9,050*
Other services related to taxation	**30,000**	*26,500*

7. Employees

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

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Wages and salaries	7,003,944	*6,245,161*	-	-
Social security costs	799,317	*732,158*	-	-
Cost of defined contribution scheme	301,385	*251,949*	-	-
	8,104,646	*7,229,268*	-	-

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

	Group 2023 No.	*Group 2022 No.*	Company 2023 No.	*Company 2022 No.*
Engineers	54	*52*	-	-
Support	29	*26*	*3*	*3*
	83	*78*	*3*	*3*

The Parent Company has no employees, other than the directors.

8. Directors' remuneration

	2023 £	*2022 £*
Directors' emoluments	172,946	*159,383*
Group contributions to defined contribution pension schemes	9,203	*6,709*
	182,149	*166,092*

During the year retirement benefits were accruing to 1 director *(2022 - 1)* in respect of defined contribution pension schemes.

9. Interest receivable

	2023 £	*2022 £*
Other interest receivable	27,084	*2,457*

10. Taxation

	2023 £	*2022 £*
Total current tax	**-**	*-*
Deferred tax		
Origination and reversal of timing differences	**(1,588,062)**	*(25,185)*
Tax on profit	**(1,588,062)**	*(25,185)*

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2022 - lower than)* the standard rate of corporation tax in the UK of 23.52% *(2022 - 19%)*. The differences are explained below:

	2023 £	*2022 £*
Profit on ordinary activities before tax	**5,559,062**	*6,373,616*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% *(2022 - 19%)*	**1,307,491**	*1,210,987*
Effects of:		
Expenses not deductible for tax purposes	**59,495**	*11,431*
Capital allowances for year in excess of depreciation	**-**	*31,016*
RDEC credit taxable in period	**120,507**	*50,768*
Reversal of deferred tax previously recognised	-	*(25,185)*
Remeasurement of deferred tax for changes in tax rates	**80,726**	*(740,137)*
Movement in deferred tax not recognised	**(2,951,678)**	*(386,862)*
RDEC credit claim	**(89,922)**	*(177,203)*
R&D income not taxable	**(114,681)**	*-*
Total tax credit for the year	**(1,588,062)**	*(25,185)*

10. Taxation (continued)

Factors that may affect future tax charges

Finance Act 2021 included legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The effects of this increase are reflected in the above. There were no factors that may affect future tax charges.

The Group has estimated tax losses of £4,393,424 *(2022 - £9,775,738)* in Lunar Energy Limited and £1,978,886 *(2022 - £1,978,886)* in Moixa Energy Holdings available for carry forward against future trading profits. There is a deferred tax asset of £1,093,340 *(2022 - £Nil)* recognised in Lunar Energy Limited and £494,722 *(2022 - £Nil)* recognised in Moixa Energy Holdings Limited. Tax losses will be utilised as future profits arise from the Group's ordinary course of business.

11. Tangible fixed assets

Group

	Leasehold property	Motor vehicles	Fixtures & fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2023	**72,304**	**5,968**	**16,366**	**-**	**94,638**
Additions	-	-	-	**14,450**	**14,450**
At 31 December 2023	**72,304**	**5,968**	**16,366**	**14,450**	**109,088**
Depreciation					
At 1 January 2023	**72,304**	**4,321**	**1,219**	**-**	**77,844**
Charge for the year on owned assets	**-**	**836**	**3,329**	**525**	**4,690**
At 31 December 2023	**72,304**	**5,157**	**4,548**	**525**	**82,534**
Net book value					
At 31 December 2023	-	**811**	**11,818**	**13,925**	**26,554**
At 31 December 2022	-	*1,647*	*15,147*	-	*16,794*

12. Fixed asset investments

Company

	Shares in group undertakings
	£
Cost	
At 1 January 2023	**2,000,255**
At 31 December 2023	**2,000,255**

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Lunar Energy Limited (formerly Moixa Technology Limited)	55 Baker Street, London, W1U 7EU	Ordinary	100 %

Moixa Energy Limited was dissolved on 6 June 2023.

13. Debtors

	Group 2023	*Group 2022*	**Company 2023**	*Company 2022*
	£	*£*	**£**	*£*
Trade debtors	**688,517**	*178,035*	**-**	*-*
Amounts owed by group undertakings	**30,101,567**	*17,169,354*	**35,849,043**	*27,560,359*
Other debtors	**492,825**	*397,486*	**7,596**	*8,156*
Prepayments and accrued income	**435,783**	*428,306*	**-**	*-*
Deferred taxation	**1,588,062**	*-*	**494,722**	*-*
	33,306,754	*18,173,181*	**36,351,361**	*27,568,515*

14. Creditors: Amounts falling due within one year

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Bank overdrafts	-	*3,900*	-	-
Trade creditors	**51,419**	*158,100*	**10,907**	*1,014*
Amounts owed to group undertakings	**20,619,733**	*15,273,277*	**20,619,733**	*14,443,830*
Other taxation and social security	**211,254**	*177,373*	-	-
Other creditors	**65,790**	*75,724*	-	-
Accruals and deferred income	**442,316**	*541,056*	-	*1,100*
	21,390,512	*16,229,430*	**20,630,640**	*14,445,944*

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

	Group 2023 £	*Group 2022 £*
Other creditors	**13,466**	*58,058*

The Parent Company has no creditors due after more than one year *(2022 - £Nil)*.

16. Deferred taxation

Group

	2023 £
At beginning of year	-
Charged to profit or loss	**1,588,062**
At end of year	**1,588,062**

16. Deferred taxation (continued)

Company

	2023 £
Charged to profit or loss	494,722
At end of year	**494,722**

The deferred tax asset is made up as follows:

	Group 2023 £	Company 2023 £
Fixed asset timing differences	(6,639)	-
Short-term timing differences	1,623	-
Tax losses carried forward	1,593,078	494,722
	1,588,062	494,722

Deferred tax assets are expected to be utilised against future taxable trading profits.

17. Provisions

Group

	Warranty provision £
At 1 January 2023	509,194
Charged to profit or loss	86,292
At 31 December 2023	**595,486**

The Group's hardware products are subject to defects and technological developments. As a result it is necessary to consider an associated provision for future costs relating to recycling & unit replacements, compensation and maintenance of hardware products under warranty.

The Parent Company has no provisions *(2022 - £Nil)*.

18. Share capital

	2023	*2022*
	£	*£*
Issued and fully paid		
288,928 Ordinary shares of £0.001592 each	**460**	*460*

Ordinary shares have attached to them full voting, dividend and capital distribution rights.

19. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Share-based payment reserve

This reserve relates to the fair value of the options granted which has been charged to profit or loss over the vesting period of the options.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

20. Share-based payments

Certain employees of the Group have been granted options in the shares of the ultimate parent undertaking, Lunar Energy, Inc.. The options are granted with a fixed exercise price, and are exercisable after a certain period of employment with the Group. The total charge recognised in profit or loss is £378,376.

	Weighted average exercise price (pence) 2023	**Number 2023**	*Weighted average exercise price (pence) 2022*	*Number 2022*
Granted during the year	**281**	**636,725**		-
Outstanding at the end of the year	**281**	**636,725**		-

There were 636,725 share options granted during the year. The options outstanding at 31 December 2023 had an exercise price ranging between £1.94 and £3.87.

Lunar Energy Inc. engaged dba Carta Inc. to provide 409a valuations for the US parent entity, and calculate the respective share-based payment charge for the overall group. A total 159,550 awards were made in FY23 relating to UK employees, with 636,725 options outstanding. Carta have adopted a Black-Scholes option model to value the awards, which is appropriate for options with time-based vesting conditions as is the case with Lunar Energy Limited. Key inputs considered in the model include volatility, risk-free rate and expected term inputs. The share price input is based on Lunar Inc's 409a valuations.

21. Prior year adjustment

During the year, management identified prior year errors of £829,447 in respect of a foreign exchange gain on the intercompany balance between Lunar Energy, Inc and Lunar Energy Limited, and £1,029,193 in respect of a foreign exchange loss on the intercompany balance between Lunar Energy, Inc and Moixa Energy Holdings Limited. The underlying funding provided by Lunar Energy, Inc was £ denominated and not $ denominated, therefore this adjustment should not have happened in the prior year. The intention was for these funds to be offset by the transfer pricing recharges which are also £ denominated.

22. 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 £301,385 *(2022 - £251,949)*. Contributions totalling £6,492 *(2022 - £68,880)* were payable to the fund at the balance sheet date.

23. Commitments under operating leases

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

	Group 2023 £	*Group 2022 £*
Not later than 1 year	**223,316**	*222,706*
Later than 1 year and not later than 5 years	**511,308**	*734,623*
	734,624	*957,329*

24. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

Key management personnel

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group.

In the opinion of the board, key management personnel are the directors of the Group. Key management personnel remuneration amounted to £203,429 *(2022 - £183,186)*.

25. Controlling party

The immediate and ultimate parent undertaking is Lunar Energy, Inc., a company registered in the United States of America.

The directors do not consider there to be an ultimate controlling party.