

REGISTERED NUMBER: 05867160 (England and Wales)

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
ORACLE POWER PLC GROUP OF COMPANIES

THU

WEDNESDAY



ABA4C3DT

A1110/08/2022#237

COMPANIES HOUSE

AB97CAAI

A0728/07/2022#20

COMPANIES HOUSE

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Page
Company Information	1
Chairman's Statement	2
Chief Executive's Report	3 to 4
Group Strategic Report	5 to 13
Report of the Directors	14 to 16
Remuneration Report	17 to 18
Corporate Governance Report	19 to 21
Statement of Director Responsibilities	22
Report of the Independent Auditors	23 to 27
Consolidated Statement of Profit or Loss	28
Consolidated Statement of Profit or Loss and Other Comprehensive Income	29
Consolidated Statement of Financial Position	30
Company Statement of Financial Position	31
Consolidated Statement of Changes in Equity	32
Company Statement of Changes in Equity	33
Consolidated Statement of Cash Flows	34
Company Statement of Cash Flows	35
Notes to the Statements of Cash Flows	36 to 37
Notes to the Consolidated Financial Statements	38 to 62

ORACLE POWER PLC GROUP OF COMPANIES

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

Oracle Power PLC is registered as a public company under English Law. Its shares are quoted on the AIM market of the London Stock Exchange. Oracle Power PLC is incorporated and domiciled in England and Wales and its registered number is 05867160.

DIRECTORS:	Mr M W Steed – Chairman Ms N Memon – CEO Mr A Migge Mr D Hutchins	
SECRETARY:	Mr N Lee	
REGISTERED OFFICE:	Tennyson House Cambridge Business Park Cambridge CB4 0WZ	
REGISTERED NUMBER:	05867160 (England and Wales)	
AUDITORS:	Price Bailey LLP Tennyson House Cambridge Business Park Cambridge CB4 0WZ	A. F. Ferguson & Co Chartered Accountants State Life Building 1-C I. I. Chundrigar Road Karachi, Pakistan
	Pitcher Partners Level 11/12-14 The Esplanade Perth WA 6000, Australia	
NOMINATED ADVISER and JOINT BROKER:	Strand Hanson Limited 26 Mount Row London W1K 3SQ	
REGISTRAR:	Neville Registrars Limited 18 Laurel Lane, Halesowen West Midlands B63 3DA	
SOLICITORS:	Charles Russell Speechlys LLP 5 Fleet Place, London EC4M 7RD	Haider Mota BNR D-79, Block No. 5, Karachi 75600, Pakistan
BANKERS:	Royal Bank of Scotland plc 1st Floor, Conqueror House Vision Park, Histon Cambridge CB24 9NL Habib Metropolitan Bank Habib Bank Plaza, I.I.Chundrigar Road, Karachi-75650, Pakistan	Habib Bank AG Zurich Moorgate Branch, Habib House, 42 Moorgate, London EC2R 6JJ
PUBLIC RELATIONS:	St Brides Partners Ltd 51 Eastcheap London EC3M 1JP	

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

I am pleased to present the financial statements for Oracle Power PLC ("Oracle" or the "Company") for the year ended 31 December 2021.

Despite COVID-19 and the consequential limitations on travel, we have managed to grow the size and value of our project portfolio.

During the year, we continued to progress our Thar Block VI project. Notwithstanding the general move towards more environmentally friendly forms of power generation, with the advent of the conflict in Ukraine, the cost of energy has risen dramatically and the global energy position has changed. Pakistan's Minister of Energy announced in a recent press conference that he wants the delayed Thar Block VI project developed. The original Thar Block VI project plan was to build a mine with an associated 1,320 MW power station to provide base load electricity to Pakistan. The project has now expanded to include production of coal to gas. We are further exploring the possibility of using lignite to make a humic or organic material that enhances soil health and can be used to turn barren land into fertile land. Interest in the whole Thar project has therefore increased.

The two gold prospects in Western Australia (Jundee East and the Northern Zone projects), in which we invested in 2019 are progressing. The geological surveys and test drilling reports are all looking encouraging, and we have been approached by other mining companies in the area, which are looking to form joint ventures to advance the projects.

In 2021, we started a project with the objective to manufacture a green hydrogen production facility in Pakistan. To this end, we signed a non-exclusive co-operation agreement with PowerChina and, in March 2022, we formed a new SPV called Oracle Energy Ltd specifically to develop this project. Oracle Energy Ltd is jointly owned by Oracle Power PLC (30%) and by His Highness Sheikh Ahmed Dalmook Al Maktoum, through his wholly owned company Kaheel Energy FZE (70%).

In terms of our funding position, just prior to the period end, the Company received £632,500 from the exercise of warrants and then post year end, in April 2022, we raised an additional £800,000 before expenses through an equity placing to finance the development of the green hydrogen project.

Operational highlights of 2021 are described in the Chief Executive's Report.

As you will have read in the newspapers, Imran Khan has been replaced as Prime Minister of Pakistan by Shebaz Sharif. The Pakistan Government remains supportive of the development of the Thar coal project and of relations with China. The broad parameters of security remain as last year: there have been no major incidents and, overall, the army has maintained order.

We are most grateful to the Pakistani Authorities, to the Chinese Authorities through China Coal and the Joint Cooperation Committee (JCC) of CPEC for their support.

Above all, I wish to thank our shareholders for their continued confidence, patience and support, enabling us to move the project towards realisation.

Mark W Steed
Chairman

**CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

I am pleased to present a report on the Company's progress for the year ended 31 December 2021.

This year has been one of very significant and valuable progress for Oracle. During the early part of the year, we mainly focused on the active development of the Company's existing projects in Pakistan and in Western Australia, and in both jurisdictions notable progress was achieved. Then, in the last quarter of 2021, we launched our green hydrogen project, with the objective to become a developer of green and new energy as well and as a result, further expanded our portfolio of projects.

In Pakistan, we continued to actively pursue the development of our Thar Block VI, for power as well as for CTG/L (coal to gas/liquid). We maintained an active dialogue with the Power Division, Ministry of Energy, throughout the year, to secure permission for development of the Company's 1,320MW, coal to power project under the China-Pakistan Economic Corridor ("CPEC"). In September 2021, the Government of Pakistan published its annual Indicative Generation Capacity Expansion Plan (the "IGCEP"), a demand-supply policy guidance chart for Pakistan. Although, demand from Oracle's plant did not appear in the 2021 plan, the power sector regulator, the National Electric Power Regulatory Authority ("NEPRA"), has ruled that the Thar project of 1,320MW, should be included in the next annual review in 2022.

Furthermore, following subsequent discussions with government and regulators, consultants were engaged in Q1 2021, to draft a government policy proposal for CTG/L, based on input received from China Coal. The draft policy for CTG/L was then jointly submitted by Oracle and China Coal, to the Petroleum Division, Ministry of Energy, for due consideration in March 2021.

We subsequently sponsored a consultative session for stakeholders, to discuss the policy draft, with a view to finalising it, so that feasibilities could commence. The session held on 10 March 2021 in Karachi, was hosted by the Petroleum Division, Ministry of Energy, Government of Pakistan, and presided over by the Energy Minister of Sindh, Mr. Imtiaz Ahmed Shaikh and the Special Assistant to the Prime Minister for Petroleum, Mr. Nadeem Babar. The Company continued to engage with the Petroleum Division for further action subsequent to this meeting. In parallel, in order to mitigate CTG/L development risk, we also initiated discussions with other potential off-takers.

By Q4 2021, the Company was in advanced talks with Sui Southern Gas Company Limited ("SSGC"), the semi government public gas distribution company, based on the understanding that a buy back arrangement with SSGC would trigger required government policy formulation, as well as provide necessary guarantees to lenders. This arrangement was secured post period. Further, by the end of 2021, we had also set out the scope and parameters of a detailed feasibility study for CTG/L in conjunction with China Coal, pending policy announcement. I can also confirm that generally, Oracle received tremendous encouragement, and support from the Government of Pakistan for an enhanced development plan at Block VI, during the course of 2021. To this end, the Government of Pakistan has had extensive dialogue with us on different occasions, for initiation of the feasibility study and mobilisation of CTG/L development, given Pakistan's gas crisis.

I am also very pleased to report that despite all COVID-19 related challenges in West Australia, Oracle continued to conduct active exploration at both the tenements. At the Company's Northern Zone project, 25 km from Kalgoorlie, processing and interpretation of the available magnetic and induced polarisation ("IP") geophysical datasets was completed. The maiden drill programme targeting felsic intrusives porphyry bodies commenced in September 2021 and was completed within the calendar year. The samples were submitted to laboratories and significantly positive results were received post period end. In parallel, we were finally granted the exploration licence for Jundee East in May 2021. We proceeded to conduct a more extensive geochemical sampling survey and then planned a five target drilling programme based on the geophysical and extensive geochemical investigations, which established the presence of an unrecognised greenstone belt similar to the Jundee mine, one of Australia's largest, a few kilometres away. By Q4 2021, we had secured clearance for drilling at Jundee East, and sourced a rig, with drilling to commence post period end. The results of the work on both tenements, established good prospects for gold systems and further work plans for 2022 were set out at the year end 2021, subject to expected results post period. Given the low priced acquisition of the assets in Western Australia, quick exploration work, and early signs of favourable mineralisation, we expect to realise a significant increase in company value on account of the outcome of work undertaken in Western Australia.

**CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

In October 2021, Oracle launched its transformational pivot to green energy by signing a non-exclusive co-operation agreement with PowerChina, to jointly develop the first green hydrogen production facility in Pakistan. The signing ceremony held at the Energy Department, Government of Sindh in Karachi was hosted by Pakistan's Minister of Energy, Sindh, Mr. Imtiaz Ahmed Shaikh. Mr. Li Bijian, the Consul General of China in Karachi, also witnessed the signing ceremony, providing assurance of the support of Chinese government for this project. Soon after our project launched, we appointed Dr. Naveed Akhtar, a hydrogen scientist as Chief Technology Officer for Hydrogen. Dr Akhtar is an expert in hydrogen fuel cells with more than 20 years' experience.

We also engaged land surveyors and consultants to identify suitable land in the designated wind corridor in Sindh, for the development of a 400 MW capacity green hydrogen project with an annual production capacity of 55,000 tonnes. Subsequent to land identification, we applied to the Government for allotment of land for the development of the green hydrogen project. The process is expected to conclude in 2022 when we expect to start to progress of one of the larger green hydrogen projects in the region.

In December 2021, PowerChina completed a preliminary feasibility study for production of green hydrogen, and the Company published an information memorandum for prospective investors. We also initiated conversations with domestic and international off takers as well as technology suppliers and lenders. By the end of 2021, I can confirm that significant progress had been achieved to date and we expect to make quick progress on the ground with regard to this important project. I can also say with confidence that the Government is fully supportive of this development, and is also working on a support policy for green hydrogen production, and Oracle's views as a pioneer of this initiative in Pakistan, have been taken into consideration, by those reviewing possible future policy mechanisms, and we remain a part of this conversation.

During 2021, we remained well placed financially, and our cash balance was further enhanced on account of the exercise of warrants by multiple shareholders, including His Highness Sheikh Ahmed Dalmook Al Maktoum just prior to the period end.

The Company remains committed to all its projects, adding value through achieving target milestones. The addition of our green hydrogen project to our portfolio places us in a very strong position as developers of important global fuel and commodity projects, in strategic jurisdictions, with an ability to mitigate commodity risk across our portfolio.

We would be unable to develop these projects without the commitment to our teams in the UK, Australia and in Pakistan. I am thankful to them for their commitment to the Company. I would also like to express my gratitude to all those who support Oracle in the UK, and help us to manage regulatory affairs, public relations, accounting compliance, brokerage and market trading.

I also extend my greatest thanks to the shareholders for their support and belief in the Company, and for placing their trust in its management.

Ms Naheed Memon,
Chief Executive Officer

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their Strategic Report of the Company and the Group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY AND BUSINESS MODEL

The principal activity of the Group during the year under review was that of a project development company. The Company is currently involved with three projects: an energy project, based on the development of coal, and building a mine-mouth power plant in Pakistan; exploration for gold in Western Australia; and the development of a green hydrogen project in Pakistan.

The development work in Pakistan was primarily focused on obtaining necessary permissions from the government for the projects in Pakistan. The work done in WA involved exploration of the tenements and developing plans for further resource estimation. Although the projects generally operate through SPVs, the Group is controlled, financed and administered within the United Kingdom, which remains the principal place of business. The Group's business model is to create value through a balanced portfolio of development assets at various stages in the value cycle, through the procurement of exploration leases, exploitation work, development of commercially viable discoveries, and implementation and operation. Towards the end of the period the Company launched a significant green hydrogen production project in Pakistan, making an important addition to its portfolio with the objective of becoming a developer of a green energy.

REVIEW OF THE BUSINESS

During the year, the Group has used its funds to develop the Thar mine project in Pakistan and to drill and develop its gold assets in Western Australia. The expenditures are either capitalised in accordance with IFRS, or expensed. The capitalised expenditures are shown as intangible fixed assets in the Statement of Financial Position and the expensed expenditures are shown as administrative expenses in the Statement of Profit or Loss. The loss for Oracle Power PLC after taxation for the year to 31 December 2021 amounted to £881,879 (2020: £1,011,151).

The Chairman, in his Statement, and the Chief Executive Officer in her Report, have summarised the activities of the Group during the financial year.

SECTION 172(1) STATEMENT

The directors are well aware of their duty under Section 172(1) of the Companies Act 2006 to act in the way which 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 matters) 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 suppliers, 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 "Section 172(1) Matters").

Induction materials provided on appointment include an explanation of directors' duties, and the board is regularly reminded of the Section.172(1) Matters, including as a rolling agenda item at every main board meeting.

Further information on how the directors have had regard to the Section.172(1) Matters can be found on pages 5 to 13.

Section 172(1) Companies Act 2006

The board takes decisions with the long term in mind, and collectively and individually aims to uphold the highest standards of conduct. Similarly, the board understands that the Company can only prosper over the long term if it understands and respects the views and needs of its customers, distributors, employees, suppliers and the wider community in which it operates.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

A firm understanding of investor needs is also vital to the Company's success along with a sustainable and environmentally responsible culture. This is detailed on page 11. The directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172(1) of the Companies Act 2006. The text of Section 172(1) of the Companies Act 2006 has been sent out to each main board director.

The board ensures that the requirements are met, and the interests of stakeholders are considered as referred to elsewhere in this report and through a combination of the following:

- A rolling agenda of matters to be considered by the board through the year, which includes an annual strategy review meeting, where the strategic plan for the following year is developed;
- Standing agenda points and papers presented at each future board meeting, which will report on customers, employees and other colleagues, health and safety matters and investors;
- A review of certain of these topics through the Audit Committee and the Remuneration Committee agenda items referred to in this report;
- Detailed consideration is given to of any of these factors where they are relevant to any major decisions taken by the board during the year;
- At this stage, the directors consider that there are no financial KPIs that are specifically relevant to assessing the business.

Key board decisions taken during the year, all of which have long term implications for the ultimate success of the Company, and the Section 172(1) and stakeholder considerations are set out below.

Key Board Decision Section 172(1) and Stakeholder Considerations:

- Development of the Company's gold projects in Western Australia;
- Further development of the Company's coal and power project in Pakistan; and
- Commencement of the Company's green hydrogen project in Pakistan.

Relations with Shareholders

The Company's principal means of communication with shareholders is through the Annual Report and Financial Statements, the full-year and half-year announcements and the AGM. The board recognises that the AGM is an important opportunity to meet private shareholders. Each substantially separate issue is the subject of a separate resolution at the AGM and all shareholders have the opportunity to put questions to the board. All board directors endeavour to attend AGMs and answer questions put to them which may be relevant to their responsibilities. In addition, the directors are available to listen informally to the views of shareholders immediately following the AGM. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are published on the Company's corporate website.

The board receives regular updates on the views of shareholders through briefings and reports from the executive directors, the Company's brokers and PR advisers. The Chief Executive Officer, the Chairman and the other directors make presentations to institutional shareholders and participate in investor road shows both following the announcement of the full-year and half-year results and, at other times throughout the year. Not every officer participates in every investor presentation. The Chairman will participate in these presentations where appropriate and is always available to speak with shareholders.

Dialogue with individual institutional shareholders also takes place in order to understand and work with these investors to seek to comply with their investor principles where practicable.

Investor queries may be addressed to the Company Secretary at info@oraclepower.co.uk. A range of corporate information (including all Company announcements) is also available to shareholders, investors and the public on the Company's corporate website www.oraclepower.co.uk.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is engaged in the development of three key projects which include:

- a lignite coal resource in Block VI in the Thar Desert in the Sindh province in Pakistan through a mine supplying a power plant and a coal to gas facility;
- two gold assets in Western Australia; and
- a green hydrogen production facility in Pakistan.

The principal strategic and operational risks and uncertainties facing the Group are described below, together with the steps taken for their mitigation. Information on financial risk management is set out in the Financial Instruments section in this report.

The principal risks and uncertainties for the Company are:

ISSUE	Likelihood of Issue Arising	Impact If Issue Arises
Financing	Medium/Low	High
Project Completion	Low	Medium
Operating	Low	Low/Medium
Economic	Low/Medium	Low
Political, Legal and Regulatory	Low	Medium
Environment & Corporate Social Responsibility	Low	Low

Following the acquisition of the gold projects in Western Australia, it is important to establish adequate resource estimates via exploratory work on both the tenements acquired. Similarly in Pakistan, the Company continues its efforts to secure a letter of intent ("LOI") for the power plant, given that it has already secured a prospective investor in China. The Company also awaits adequate policy support to be announced, in order to proceed with the development of a coal to gas ("CTG") facility in conjunction with the power plant at Block VI. There are risks related to obtaining adequately viable tariffs for both power as well gas, in order to maximise return. Although economic risk, including cost increases, is protected, through the Government of Pakistan's cost-plus pricing mechanism. In addition, the recently launched green hydrogen project faces off take risk overseas as well as financing risk will also need to be managed.

There remains political risk, such as a decline in relations between Pakistan and China leading to the pricing mechanism, or overseas remittance of dividends and debt servicing not being honoured. However, WA presents very limited political risk compared to Pakistan and so the development of projects there face commercial risk primarily.

In relation to the green hydrogen project, technology risks also need to be adequately mitigated and proven technologies need to be selected in accordance with applications.

The risks are detailed below, along with the key measures taken for mitigation.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Financial Close Risk	
Risk	Mitigation
In relation to the coal to power project, assuming the LOI is secured and a viable tariff obtained, following the signing of the consortium agreement with China National Coal Development Company Ltd and Sheikh Ahmed Dalmook Al Maktoum Private Office One Person Company LLC, and after consummating a binding Shareholders or JV Agreement, the principal risk is related to securing debt from banks and Chinese Sinasure (China's export financing plan). There is also a risk that Oracle may not be able to raise the necessary equity. This process can be delayed and banks and lenders may insert more stringent condition precedents.	The Company has used world leading consultants in feasibility work, to ensure a fully technically sound project. Recognising that major coal development is new for Pakistan, the Company has worked closely with the regulatory bodies and with professional advisers within Pakistan to ensure compliance to the regulatory regime. The immediately neighbouring Block II achieved delivery of their project. The developments at Block II so far support the soundness of technical feasibility studies that have been carried out on Block VI. Also the regulatory regime, as laid out, has been fully applied by the Pakistani Authorities. All this should be supportive for the Consortium Parties in making their decision to enter into a binding Shareholders or JV Agreement. Arbitrary withdrawal is considered by Oracle unlikely, given the high profile commitments made by China to CPEC.
Project Completion Risk	
Risk	Mitigation
The Block VI development plan comprises a mine, a power plant and CTG/L facilities in the future as well. Various factors could give rise to delay in completion. These include: • Delay in mine development due to timely provision of infrastructure by the government; • Power plant failing tests and hence resulting in encashment of performance guarantees; and • Dewatering of mine does not work as planned or excess water cannot be effectively disposed of. In relation to WA gold exploration, the risks associated with drilling, topography conditions, and weather conditions exist.	• The Parties to the Consortium Agreement intend to bring leading EPC contractors into the running of the project; • Neighbouring Block II has proved that the lignite should be of the required quality, supporting previous studies on Block VI; • The Company is in close contact with the relevant Government authorities regarding water management issues; • Government takes responsibility for ensuring capacity payments via the Power Purchase Agreement and the Implementation Agreement. There is a CPEC HVDC priority project to provide an additional 4,000MW of transmission capacity for national power projects, more than sufficient to meet all presently known Thar projects; • The Company will take out the normal suite of insurance policies; • As noted above, to the extent that delays lead to increased cost, these would be recoverable through the coal and electricity pricing mechanisms; and • The project is on the Priority List of CPEC.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Operating Risk	
Risk	Mitigation
Technical issues, similar to those described under Project Completion risk. Water availability and dewatering of mine, during production operations are the key concerns. Further hydrology work is planned before project completion, from which the hydrology dynamics will become clearer. The mine will require dewatering, and water is required for the power plant process. Whilst the mine water production is expected to meet the power plant needs, the amount of dewatering needed and any imbalance in the water production and utilisation may cause additional cost pressures. The production of hydrogen is relatively risk free but the storage and transportation of green hydrogen can present risks associated with new technology.	As with Project Completion Risk, the intention is for both the mine and the power plant to be operated by leading contractors; the Company will take out the normal suite of insurance policies; to the extent that operational issues give rise to cost increases, these should also be recoverable through the coal and electricity pricing mechanisms; and the Pakistan Government will provide a guarantee for water supply before the commencement of the project. The Company will engage the best technology suppliers for storage and transportation of green hydrogen.
Economic Risk	
Risk	Mitigation
The economic performance of the Company could be affected by movements in international markets. These include: • Exchange rate movements, amongst the five currencies, US Dollar, Renminbi, Pakistani Rupee, Pound Sterling and Australian dollar, that affect the Company; • Increased interest rates which, if arising during construction, would add to capital costs; • Fall in international energy prices encouraging importation of either coal, gas or oil; • Change in the price of gold; and • US\$ inflation, which could raise capital and operating costs. The price of renewable energy power components such as turbines and photovoltaic panels can remain high on account of shortages. Further, high transportation costs will impact the selling price of hydrogen for end user.	• Cost variances resulting from exchange rate movements and US\$ inflation should generally be recoverable through the coal and electricity pricing mechanisms; • The risk posed by further importation of coal or oil for power generation is not considered to be high given the large price differentials and the present lack of power plants. The savings in foreign exchange to the country of import substitution through local energy production are clear; and • The development of indigenous coal in Pakistan increases the country's security of energy supply. The Company will engage contractors which have scale and cost advantage to mitigate global shortages and transport costs.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Financing Risk	
Risk	Mitigation
The Consortium Agreement signed with China National Coal Development Company Ltd and Sheikh Ahmed Dalmook Al Maktoum Private Office One Person Company LLC, two well financed partners, envisages financial (and political) support of the project from banks in the People's Republic of China and the framework of CPEC. There is also a risk that Oracle may not be able to raise the necessary equity. The ability to raise the appropriate funds to develop the gold projects in Western Australia. The ability to secure financing for green hydrogen production as a predominantly B2B venture, presents manageable risks.	The Consortium Agreement envisages that the Chinese partner will be responsible for arranging all debt and for providing 73% of equity with Sheikh Ahmed Dalmook Al Maktoum Private Office One Person Company LLC 15% and Oracle 12%. Oracle will negotiate to apply its historical costs against the share to be provided by Oracle. The Company plans to bring in first tier lenders to attract money from the market. In WA, the Company will aim to secure co-development arrangements as well.
Political, Legal, Regulatory and Fiscal Risks	
Risk	Mitigation
The Federal and Sindh Governments have demonstrated strong support for the integrated Thar coal mining and power plant development, and for maintaining the supportive regulatory and fiscal regime at present in place. Risks arise from: • Change in regime; • Shorter term, the funding and completion of local infrastructure; • Longer term, when investment has been made, adversely varying the fiscal regime, the lease terms or the royalty and tax rates, making foreign exchange available to meet debt servicing requirements and dividend payments; • Bureaucratic interpretation of regulations, including pricing mechanisms, also potentially leading to delay; • Security and terrorism, particularly as operations in Thar take on a higher profile; • Transfer of operatorship to Chinese partners and Oracle becoming a minority partner; and • NGO activism.	• The Government have expressed their continued support for the development of indigenous coal and Thar. The Board believes that the shortage of power and the imperative to develop Thar is likely to be clear to any incoming government; • Much of the planned major infrastructure is already in place; • Longer term, there are strong international forces to ensure that foreign investment is properly protected, i.e. CPEC and Investment Treaties with China and the UK. The Company will consider whether political risk insurance could be a cost effective mitigant; • Oracle has a strong working relationship with all relevant levels of Government and will use these relationships to address potential bureaucracy and delay; • The Government has set up a special force with overall responsibility for security in Thar. Oracle is putting in place a comprehensive security plan which complements those of the Government agencies.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Environment & CSR	
Risk	Mitigation
Energy projects of this nature have a major impact on the environment and impose significant corporate social responsibility on a company. If environmental risks are not properly addressed and corporate social responsibility mismanaged either of these can give rise to severe reputational damage and significant cost.	Oracle operates to international standards of environmental and social impact management and complies with the Pakistan Environmental Protection legislation, which mirrors international standards. However, by launching its green hydrogen project, the Company plans to offset the possible negative impact its coal to power project would have on its environment. At the same time, all exploration activities in WA are done after due clearance from the Department of Mines, Industry Regulation and Safety, is obtained and strictest measures are put in place to safeguard the environment and workers. The Environmental and Social Impact Assessment for the mine has been approved by the Sindh Environmental Protection Agency and the No Objection Certificate ("NOC") was issued in May 2013. For the power plant, the public hearing was held in August 2017 and the NOC is awaited. Further, in relation to the green hydrogen project, the Company is already in conversation with certifiers to obtain a green certificate upon commencement of project construction. From the outset, Oracle has understood the need to act as an exemplary corporate citizen. Oracle has long established a Community Liaison Officer and will continue to foster good relationships with local communities. Oracle will work to ensure that it works with other developers of Thar Coal, for example Sindh Engro in Block II in joining the Thar Foundation, set up to coordinate welfare initiatives. The Company has also made commitments to the Government of Sindh to ensure that local communities settled in the wind corridor area, where the green hydrogen project will be housed, are provided livelihood and housing.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Oracle Power PLC is a responsible corporate entity and is continuing to apply international best practice to all its projects. The Company is aware of the key role it has to play in developing its pioneering projects in Pakistan, in minimising the impact that its operations may have on the natural and social environment and in creating opportunities for the local community. In Western Australia, it remains fully compliant with regard to all environmental and social protocols.

Environmental and Social Impact Assessment ("ESIA")

In relation to the Thar project, Oracle commissioned Wardell Armstrong International Ltd. ("WAI") to produce an ESIA for the Block VI project. WAI worked with Hagler Bailly Pakistan, a local group of environmental consultants, based in Islamabad, to complete the ESIA to meet both national and international standards. The ESIA was completed and submitted in April 2013 to the Sindh Environmental Protection Agency, Government of Sindh ("SEPA"). A public hearing was held on site in June 2013, attended by the local people along with government representatives, SEPA, various non-governmental organisations ("NGO") and the Company's consultants as part of the public consultation process. There was overall support for the project and the Company will continue its consultation with the local people as the project moves into the implementation phase.

Early in July 2013 SEPA held a Technical Committee Hearing in Karachi to examine the technical aspects of the ESIA and to take on board concerns raised at the public hearing which was attended by the Company and its consultants along with Government representatives.

Following these meetings SEPA has issued the "No Objection" Certificate giving formal approval for the ESIA in January 2014 which was another significant step towards mine development.

In 2016, Mott MacDonald were commissioned to prepare an ESIA for a 660MW mine mouth power plant which was completed in March 2017 and submitted to SEPA for approval. A public hearing was held on the site in July 2017 and was attended by the local communities and other stakeholders and was well received. Also, in March 2017, the mine ESIA was updated and brought up to international standards by WAI and aligned with the power plant ESIA.

In relation to the green hydrogen project in the wind corridor in Sindh, Pakistan, we are in conversation with TUV Rheinland, which will issue a green certificate for plans, before the construction commences.

In Australia, before the commencement of any exploration activity, clearances are secured from the Department of Mines, Industrial Safety and Regulation, Government of Western Australia.

Community and Consultation

At Thar, in addition to the environmental characterisation of the site, a comprehensive social data gathering campaign has been completed. Background information on local demography, village structure, local culture, resources and socio-economics has been collected. In addition, an ongoing public consultation has been undertaken to gather the views and opinions of local stakeholders (both at a local and national level), and to disseminate information about the project. A similar exercise is intended at the green hydrogen project site, post allotment of land. In Western Australia, we pay fees towards the protection of the communities, in accordance with government programmes and policy.

Resettlement

Community response in relation to Thar, has generally been positive, with an interest in the project, and the associated community benefits that it will deliver. As a result of the location of the lignite seams, and the requirement for associated infrastructure, some relocation of local communities currently residing within Block VI will be required. The Resettlement Policy Framework of May 2015 sets out the formal mechanism for resettlement in Thar and is generally in line with international performance standards. Such a Resettlement Framework and Resettlement Action Plan ("RAP") was prepared and has been submitted to SEPA in April 2014 as required under the ESIA approval and has been recorded for action.

At the green hydrogen project site, a similar resettlement plan will be undertaken in accordance with Pakistan's Renewable Power Policy post acquisition. In Western Australia, the laws governing aboriginal settlement and protection are enforced, and the Company is fully compliant.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

CORPORATE SOCIAL RESPONSIBILITY ("CSR") Continued

The next stage of the process at both the project sites in Pakistan will be to carry out detailed surveys to identify landowners in the case of Thar, and settled communities on both sites, taking into account families, livestock, and agricultural assets prior to commencement of projects. It is intended to construct replacement villages, with full electricity, sanitation, and potable water supply together with culturally appropriate places of worship, with opportunities for a local market area. The exact design of resettlement villages will be decided in consultation with the affected communities. Oracle has carried out a census at Thar and already done surveys in conjunction with local authorities at the green hydrogen site, and is well prepared to begin this work.

Oracle Social Development Initiatives

Oracle appointed a Community Liaison Officer ("CLO") in 2012 to act as the local point of contact for stakeholders, and to receive information from, and disseminate information to, local community members. The CLO also acts as an intermediary to represent the interests of the local communities to Oracle. As part of Oracle's CSR initiatives, a strategy is being developed to identify, and support community development projects. A similar resource will be hired for the green hydrogen project and full support will be offered to the local communities in the area.

Benefits and Opportunities

Oracle is working with local groups to ensure that the Block VI project delivers sustainable benefits to the communities, and an overall improvement in local living conditions, whilst also positively responding to the energy crisis in Pakistan. This project will result in direct and indirect benefits to the local communities. Direct benefits will include employment at the mine and power plant, whilst indirect benefits may include revenues generated by local supply of goods and services to the operations.

In WA, we have already generated both direct and indirect jobs, and as we continue to develop our two projects there, we anticipate greater contribution to the national output, will be made.

Benefits and Opportunities include:

- Improvements and extension of the existing government primary schools on all sites;
- Training of literate male and female community members for teaching;
- Extension of the existing school buildings to support more students;
- Supply of stationery and other provisions;
- Bi-annual hygiene and healthcare awareness campaign in all communities;
- Setting up water filter systems in all communities;
- Awareness campaign on methods to improve livestock health and productivity in all communities; and
- Construction of a road to connect local villages and communities to highways and other amenities.

ON BEHALF OF THE BOARD:

Mark W Steed - Chairman

Date: 23 June 2022

ORACLE POWER PLC GROUP OF COMPANIES (REGISTERED NUMBER: 05867160)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the note 23 to the financial statements.

DIRECTORS

The Directors during the year under review and to the date of this report were:

Mr M Steed: Non-Executive Chairman;
Ms N Memon: Chief Executive Officer;
Mr A Migge: Senior Independent Non-Executive Director;
Mr D Hutchins: Independent Non-Executive Director; appointed on 3 March 2021.

The beneficial interests of the Directors, who held office during the year, in the Ordinary Shares of the Company on 31 December 2021 were as follows:

	31 December 2021	1 January 2021
Mr M Steed	24,236,502	18,100,000
Ms N Memon	108,748,186	16,000,000
Mr A Migge	9,045,423	8,800,000
Mr D Hutchins	152,238	-

The Directors held no share options during the year.

INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT

Mark Steed

Chairman

Mr Steed has had a career in the field of international stock and commodity markets, the management of offshore hedge funds, corporate finance and trading in securities in emerging economies. He has worked with and set up various portfolio and fund management companies, in the roles of Chief Executive Officer, Chief Financial Officer and Compliance Officer. Notably he has been involved in the setup of Amstel Securities LLP, City Capital Securities Limited, Shard Capital Partners LLP and the Sion Hall Family Office. Within the Company, Mr Steed, in addition to his role as Chairman, oversees corporate, financial and audit matters.

Naheed Memon

Chief Executive Officer

Ms Memon has had a career spanning public service and the private sector. Following a first degree in Computing Science at the University of Karachi, she completed a MSc in Economics, including a Distinction in Econometrics, at Birkbeck College, London and an MBA at Imperial College London. She has held various roles in her family conglomerate, the Kings Group of Industries, Pakistan, including Director of Marketing and Director of Information Systems. She was CEO of Advici Consulting Limited, a consulting practice based in London advising in marketing and investor facilitation. She has been a Financial Advisor with Merrill Lynch, Private Banking. She was CEO of Manzil Pakistan, a public policy think tank based in Karachi. She has served the Sindh Board of Investment (Government of Sindh), as Vice Chair from 2013 - 2016, then as Chair until August 2018.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT (continued)

Andreas Migge

Senior Independent Non -Executive Director

Mr Migge has had a career in Investment Banking and Private Equity with a focus on energy and natural resources. He has an international background, having worked in the US, Europe, Asia and the Middle East. Mr Migge has considerable international transaction experience, notably leading the acquisition of the power plants Lalpir and Pakgen in Pakistan, which was voted "Deal of the Year Asia". In 2014, he was a founding investor and member of the sponsor team for the Reata Prospect, an on-going shale oil exploration project in the Permian Basin in the US. Mr Migge has also led investments in power projects in Iraq and coal mining restructuring projects in the US. He served in the Special Forces of the German Air Force and holds an MBA from Yale University. Within the Company, Mr Migge oversees technical and business development matters.

David Hutchins

Independent Non -Executive Director

Mr Hutchins is a highly experienced corporate mining and commodities professional with more than 30 years in the industry. During his career he has held several executive roles for both listed and private companies. Mr Hutchins is a member of the FTSE Gold Mines Index Committee and a past Chairman.

Most notably, Mr Hutchins has held a range of senior roles within fund management, including various senior positions at M&G Group. In addition, he was a Fund Manager of Resources Investment Trust plc which was listed on the London Stock Exchange. He was also a Director and Founder of www.minesite.com, a mining industry specific news website which is now part of Master Investor. He currently sits on the Board of Wishbone Gold Plc (AIM: WSNB), a gold specialist company operating in exploration, mining and bullion trading, which, like Oracle, has gold exploration projects in Australia.

FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents, loan investments and financial assets and various items such as trade receivables, trade payables, accruals and prepayments that arise directly from its operations.

The main purpose of these financial instruments is to finance the Group's operations. The Board regularly reviews and agrees policies for managing the level of risk arising from the Group's financial instruments which are summarised as follows:

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

Credit Risk

The Group's principal financial assets are the cash and cash equivalents and taxation receivable as recognised in the statement of financial position, and which represent the Group's maximum exposure to credit risk in relation to financial assets.

Capital Management

The Company's capital consists wholly of ordinary shares. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's and Company's income or value of its holdings in financial instruments.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

GOING CONCERN

During the year under review, the Group experienced net cash outflows from operating activities which it financed from existing cash resources held at the start of the year and cash received from the issue of new equity share capital. The Directors have considered the cash flow requirements of the Group over the next 12 months and believe that additional funding will be required to meet the Group's cash requirements over that period. This additional cash requirement creates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors expect to be able to meet the funding requirements for the Group to continue as a going concern for at least 12 months from the date of the approval of these financial statements, and consequently, the Directors consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

SIGNIFICANT SHAREHOLDINGS

The Directors have been notified of the following interests, directly or indirectly, in 3% or more of the Group's ordinary shares as at 23 June 2022:

	Shareholding	% of ISC
His Highness Sheikh Ahmed Bin Dalmook Al Maktoum	500,000,000	17.26
Brandon Hill Capital	173,300,000	5.98
Barclays Bank plc	138,461,539	4.78
Naheed Memon	110,238,075	3.81
Dr K Laghari	95,652,174	3.30

HEALTH AND SAFETY

There were no reported personal injuries or fatalities among the Company's staff or contractors during the year.

SIGNIFICANT AGREEMENTS

The Companies Act 2006 requires the Company to disclose any significant agreements which take effect, alter or terminate upon a change in control of the Company. The Company is not aware of, or party to, any such agreement.

ENERGY AND CARBON REPORTING

Streamlined Energy and Carbon Reporting is required by large companies where energy consumption exceeds 40,000kWh. The Company can confirm that its consumption is less than 40,000kWh and therefore there is no requirement to provide a details of the Company's greenhouse gas emissions, energy consumption and energy efficiencies.

ON BEHALF OF THE BOARD:

Mark W Steed - Chairman

Date: 23 June 2022

**REPORT ON REMUNERATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report has been prepared in accordance with the requirements of Schedule 2 Part 1 of the Companies Act 2006 (Schedule) and describes how the Board has applied the Principles of Good Governance relating to Directors Remuneration. In accordance with Section 439 of the Companies Act 2006 a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the Financial Statements are submitted for shareholder approval.

Remuneration Policy

The Remuneration Committee is focused on ensuring that the Group's policies and procedures are effective for the Group's business and that executive remuneration packages are designed to attract, drive, motivate and retain executive directors and senior management of the requisite calibre and expertise, and to reward them appropriately for creating and enhancing long-term value for shareholders. The performance measurement of the Chief Executive Officer and key members of the senior management team, and the determination of their annual remuneration package is undertaken by the Remuneration Committee.

The remuneration of the Non-Executive Directors is determined by the Board within limits set by the Articles of Association and in accordance with the general guidance principles adopted by the Quoted Companies Alliance for small and mid-size quoted Companies.

Non-Executive Directors' Terms of Engagement

The Non-executive directors have specific terms of engagement. Their remuneration is determined by the Board. In the event that a Non-executive Director undertakes additional assignments for the Company, a fee will be agreed by the Board in respect of each assignment.

Aggregate Directors' Remuneration

The remuneration paid to the Directors, inclusive of Employer National Insurance contributions, in accordance with the service contracts, during the year ended 31 December 2021 was as follows:

	Salary and fees £	Pensions £	2021 Total £	2020 Total £
Executive				
Ms N Memon	150,000	-	150,000	212,500
Non-Executive				
Mr M W Steed	30,000	1,200	31,200	49,475
Mr A Migge	30,433	-	30,433	47,500
Mr D Hutchins	20,833	563	21,396	-
Mr G Lewis	2,083	-	2,083	19,755

Mr G Lewis resigned on 21 December 2020.

Directors' Service Contracts

The Directors have contracts with a two year term, renewable by mutual agreement and on an annual basis thereafter. Termination notice period is stated.

	Date of appointment	Notice period
Executive		
Ms N Memon	7 January 2019	12 months
Non-Executive		
Mr M Steed	12 July 2017	3 months
Mr A Migge	2 August 2017	3 months
Mr D Hutchins	3 March 2021	3 months

**REPORT ON REMUNERATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

Performance Evaluation

The Board undertakes annually a formal evaluation of its performance and of its committees through a questionnaire and interview process involving individual Directors and Senior Managers that is overseen by the Senior Independent Non-Executive Director, Mr Migge.

Executive Incentives

The Remuneration Committee intends to prepare, recommendations to the Board in respect of performance bonus schemes and long-term incentive packages for directors and managers. These proposals will be formulated after consultation with professional remuneration advisers and major shareholders.

ON BEHALF OF THE BOARD:

Mark W Steed
Chairman

Date: 23 June 2022

**CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

During 2021 the Board continued its commitment to maintaining high standards of corporate governance, complying with the requirements of the corporate governance guidelines (Guidelines) for smaller quoted companies issued by the Quoted Companies Alliance. The 10 principles set out in the Guidelines aim to assist small and growing companies in ensuring good governance practices and communicating such practices with shareholders and stakeholders. With the exception of Directors' Remuneration (which is dealt with separately in the Remuneration Report), this statement sets out how the Board has applied such principles and the Company's compliance with the specific provisions of the Guidelines.

Board and Board Committees

The Board of Directors

The Board of the Company is responsible for the Group's system of corporate governance. At 31 December 2021, the Board consisted of four Directors being the Chief Executive Officer, Ms N Memon, the Non-executive Chairman, Mr M Steed, and Senior Independent Non-executive Director Mr A Migge and Non-executive Director Mr D Hutchins. Details of their careers are given in the Report of the Directors.

The Board has considered the independence of Mr Migge and Mr Hutchins and considers them to be fully independent.

Details of Directors' service contracts are given in the Remuneration Report. None of the Board have any conflicts of interest arising from cross-directorships or day-to-day involvement in running the business. All Directors are subject to election by shareholders at the first Annual General Meeting after their appointment. All Directors are submitted for re-election after three years, subject to continued satisfactory performance. All Directors had access throughout the year to the advice and services of the Company Secretary Mr N Lee, who is responsible for ensuring that Board procedures and applicable regulations under the Company's Articles of Association or otherwise are complied with. Each Director is entitled, if necessary, to seek independent professional advice at the Company's expense.

Board Meetings

The Board of Directors meets approximately every three months and three meetings were held in 2021. There is a defined schedule of matters reserved for its decision. The matters so reserved include responsibility for the overall Group strategy, approval of contracts, commitments to capital expenditure budgets over £10,000, appointment of Directors and staff, approval of remuneration of Directors on the recommendation of the Remuneration Committee, issue of shares and warrants, appointment of a financial adviser, approval of regulatory announcements to the market, and a final investment decision to proceed with project implementation.

Board Committees

The Board Committees are comprised of Non-Executive Directors. They operate within defined terms of reference, details of which are posted on the Company's website, and they report regularly to the Board. At this stage of the development of the Company the Board Committees are also charged with advising the Boards and management of the subsidiary companies.

The meetings held in 2021 were as follows:

	Number of Meeting in 2021	Members (and attendance during period of appointment)
The Board	3	Mr Steed (all), Ms Memon (all), Mr Migge (all), Mr Hutchins (all)
Nomination Committee	0	
Remuneration Committee	1	Mr Steed (all), Mr Hutchins (all)
Audit Committee	3	Mr Steed (all)
Tender Committee	2	Mr Migge (all), Mr Hutchins (all)

**CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Nomination Committee

The Nomination Committee was established post-admission to AIM to review the structure, size and composition of the Board, including the skills, knowledge and experience required and to make recommendations to the Board with regard to any changes. The Committee also identifies and screens candidates for recommendation to the Board for the Remuneration and Audit Committees. The Nomination Committee also formulates proposals for succession planning of the Board and management. The Committee comprises of Mr Migge as chairman and Mr Steed. The Committee did not meet in 2021. The Committee also monitors the application of the Company policy on discrimination and encouraging diversity amongst the Company's workforce. No such issues were noted in 2021.

Remuneration Committee

The Remuneration Committee met once in 2021. The Committee consists of Mr Steed as chairman and Mr Hutchins. It is responsible for reviewing the remuneration, performance bonuses, incentive schemes and pension provision for Board members and executives of the Company and new joiners. It is policy that no individual participates in discussions or decisions concerning their own remuneration.

Audit Committee

The Audit Committee of the Board met three times in 2021. The Committee is chaired by Mr Steed. Other Directors and officers are invited to attend where appropriate.

The role of the Audit Committee is to monitor the integrity of the financial statements, and to review any significant financial reporting issues, especially the consistency of, and changes to, accounting policy. The Committee also assesses the effectiveness of the Company's internal controls and risk management systems. The Committee considers and makes recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and replacement of the Company's external auditor. This extends to monitoring the effectiveness, remuneration and independence of the external auditors.

The auditors of Oracle Power PLC are Price Bailey who have served the Company since it was founded. Price Bailey have regularly rotated the audit engagement partner. The Committee view is that Price Bailey have served the Company well and that their audit fee remains reasonable. The Committee has therefore concluded that, with the limited size of this audit, the costs of re-tendering could not be justified at this stage.

A. F. Ferguson & Co. the local affiliate of Price Waterhouse Coopers, is based in Karachi and is the auditors of Sindh Carbon Energy Limited and of Thar Electricity (Private) Ltd. Pitcher Partners are the local affiliate of Baker Tilly, are based in Perth and are the auditors of Oracle Gold Pty Limited. Price Waterhouse Coopers (London) advise the Group on global tax matters and A. F. Ferguson & Co. and Pitcher Partners advise the Group on local tax matters.

The going concern assumption was reviewed by the Committee. The carrying values of the assets rely upon the successful raising of sufficient finance to reach an investment decision and the Report and Annual Accounts reflect that judgement.

In the area of internal controls, the Audit Committee monitors the internal control environment of the Group. The Committee also oversees the Group's adherence to Market Abuse Regulations. The Committee considers that internal controls are sound, both in Oracle Power PLC and in the subsidiary companies. The Committee monitors the Company's Internal Control Manual and makes amendments as they are needed.

The risk assessment exercise for the Company is undertaken annually under the supervision of the Audit Committee. The results of the most recent exercise are included in this Report in the section Principal Risks and Uncertainties.

**CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Management Meetings

The Senior Management of the Company meet regularly to discuss in detail project progress and all other aspects of the business and where appropriate put tables recommendations to the Board for their consideration and approval.

Tender Committee

The Tender comprises Mr Migge as chairman and Mr Hutchins. Two meetings were held in 2021. The purpose of the Tender Committee is to ensure the fair and objective consideration of bids received for services and goods of both capital and revenue expenditure. The Tender Board must be consulted on all contracts or purchases which could exceed £10,000. The Tender Board will recommend contract awards to the individuals authorised to commit the Company. In the case of contracts of £100,000 or more the final decision will be ratified by the Company Board of Directors.

Matters to be referred to the Tender Board include:

- lists of proposed tenderers
- lists of proposed vendors
- proposals to negotiate rather than tender contracts
- opening and recording of sealed bids (which may be delegated to appropriate officers)
- proposals to award contracts
- variations, claims and over expenditure on contracts when these exceed 7% of the original price
- renewal of existing contracts

Accountability and Audit

Financial Reporting

The Board is responsible for presenting a balanced and understandable assessment of the Company's position and prospects, extending to interim financial reports and other announcements. All announcements are approved by the Board and the Nominated Adviser.

Internal Controls

The Directors have overall responsibility for ensuring that the Group maintains a system of internal controls to provide them with reasonable assurance that the assets of the Group are safeguarded and that the shareholders' investments are safeguarded. The system includes internal controls covering financial, operational and compliance areas, and risk management. There are limitations in any system of internal controls, which can provide reasonable but not absolute assurance with respect to the preparation of financial information, the safeguarding of assets and the possibility of material misstatement or loss.

The Board has delegated responsibility for the monitoring of internal control to the Audit Committee, and this is covered in the Audit Committee Report. The Board considers that an internal audit function would not be appropriate at this stage of the Group's development but keeps the matter under review.

Relations with Shareholders

The Directors place great importance on maintaining good communications with both institutional and private investors. The Group reports formally to shareholders twice a year and more regular communication is provided through regulatory announcements and through the website. The Chief Executive, supported by the Group's brokers, makes interim presentations to shareholders as needed.

ON BEHALF OF THE BOARD:

Mark W Steed Chairman

Date: 23 June 2022

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards. 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

The auditors, Price Bailey LLP, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Group's forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mark W Steed Chairman

Date: 23 June 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC GROUP OF COMPANIES

Opinion

We have audited the financial statements of Oracle Power plc Group of Companies (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows, Notes to the Consolidated Statement of Cash Flows, Notes to the Company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 as applied to listed entities, 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.

Our approach to the audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment. We determined materiality and assessed the risk of material misstatement in the financial statements. In particular we looked at where the directors had made subjective judgements within accounting estimates. We addressed the risk of management override of internal controls including whether there was evidence of bias by the directors that represented a risk of material misstatements due to fraud.

The group has operating entities based in Pakistan and Australia. We assessed there to be four significant components being the Oracle Power Plc with operations in the UK, Sindh Carbon Energy Ltd and Thar Electricity (Private) Ltd with operations in Pakistan, and Oracle Gold Pty Limited with operations in Australia.

The parent entity was subject to a full scope audit by the group auditor.

A full scope audit was performed on the significant components Sindh Carbon Energy Ltd and Thar Electricity (Private) Ltd by A.F. Ferguson & Co., the local affiliates in Karachi of Price Waterhouse Coopers, and Oracle Gold Pty Limited by Pitcher Partners, a Baker Tilly network member. Detailed group reporting instructions for the testing of the significant areas were sent to the component auditors and we discussed their findings with the component audit partner. The group audit team also performed the audit procedures over the significant risk areas and consolidation.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC GROUP OF COMPANIES

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant addressed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our scope addressed this matter
<i>Project feasibility and its impact on carrying value of intangibles and recoverability of intercompany loans</i> The group has substantial exploration assets on which the success of the group is underpinned. As explained in Notes 2 and 9 to the financial statements the assessment of whether there are indicators of impairment in relation to exploration assets requires the exercise of significant judgement by management. Given the significant value of the exploration assets the assessment of whether there are indicators of impairment and the results of the impairment reviews represent a key audit matter for our audit. For the primary project in Pakistan, the Directors have performed an impairment review based on the financial feasibility of the project, comparing the carrying value to the recoverable amount, and have determined that no impairment is required. For the Australia project, as it is in an earlier stage, the Directors have assessed whether there is an indicator of impairment of the project and have concluded this is not the case. Additionally, the company has intercompany loans due from Sindh Carbon Energy Limited, Thar Electricity (Private) Limited, and Oracle Gold Pty Limited. These are repayable on demand however are unlikely to be repaid until the respective projects become successful and the subsidiaries start to generate revenues, as explained in Note 12. The recoverability of the intercompany loans is therefore also reliant on the feasibility of the projects.	Review of management's impairment review for Pakistan under IAS36, including the feasibility report prepared by an expert. Review of management's assessment of indicators of impairment under IFRS6 in respect of the Australia project. Review of the status and validity of the exploration licences. Challenge of the management's assessment and consideration of evidence provided including a review of key partner contracts and plans to take the project to financial close. We evaluated the adequacy and appropriateness of the disclosures provided within the financial statements in Notes 2, 9 and 12.

Our application of materiality

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonably knowledgeable users that are taken on the basis of Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We based materiality on net assets of the group and concluded materiality to be £488,000, with performance materiality of £244,000. We consider that net assets provides us with the most relevant performance measure to stakeholders of the entity given the stage of the Group's activity and growth.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC GROUP OF COMPANIES

We apply the concept of materiality both in the planning and performance of the audit, and in evaluating the effects of misstatements.

During the course of the audit we reassessed materiality from planning to reflect the final reported performance of the group. There was no change made to our planning materiality.

Material uncertainty relating to going concern

We draw attention to Notes 2 and 9 in the financial statements, which explain that during the year under review, the Group experienced net cash outflows from operating activities. The Group met the working capital requirements by utilising existing cash held at the start of the year and cash received from an issue of new equity share capital. The Directors have considered the cash flow requirements of the Group over the next 12 months and believe additional funding will be required to meet the Group's cash requirements. As stated in Notes 2 and 9, this condition, along with other matters as set forth in Notes 2 and 9, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the uncertainties noted above we considered going concern to be a Key Audit Matter. We have assessed management's forecasts and underlying assumptions. In doing so we considered factors such as historical operating expenditure and the group's ability to raise funding in the near future.

We found our results from the above and the disclosures in the financial statements in respect of the above to be appropriate.

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.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of forecasts covering at least 12 months after signing of the accounts, review of management accounts after the year end, and consideration of available funding.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 Report of the Directors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC GROUP OF COMPANIES

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

- adequate accounting records have not been kept 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, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our 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 legal and regulatory framework applicable to the group and the parent company and the industry in which it operates and considered the risk of non-compliance with the applicable laws and regulations including fraud, in particular those that could have a material impact on the financial statements.

This included those regulations directly related to the financial statements, including financial reporting, tax legislation and distributable profits. In relation to the industry this included employment laws and health and safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings and Audit Committee meetings, correspondence with their regulators, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management including those responsible for the key regulations for any instances of actual, suspected or alleged fraud or non-compliance.

To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC GROUP OF COMPANIES

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 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 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 financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Martin Clapson FCA (Senior Statutory Auditor)
for and on behalf of Price Bailey LLP
Chartered Accountants & Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 23 June 2022

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
CONTINUING OPERATIONS			
Revenue	-	-	-
Administrative expenses		<u>(881,973)</u>	<u>(1,011,531)</u>
OPERATING LOSS		<u>(881,973)</u>	<u>(1,011,531)</u>
Finance costs	5	-	-
Finance income	5	<u>94</u>	<u>380</u>
LOSS BEFORE INCOME TAX	6	<u>(881,879)</u>	<u>(1,011,151)</u>
Income tax	7	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR		<u><u>(881,879)</u></u>	<u><u>(1,011,151)</u></u>
Loss attributable to:			
Owners of the parent		<u>(881,879)</u>	<u>(1,011,151)</u>
Non-controlling interests		<u>-</u>	<u>-</u>
		<u><u>(881,879)</u></u>	<u><u>(1,011,151)</u></u>
Loss per share expressed in pence per share:	8		
Basic		<u>(0.04)</u>	<u>(0.05)</u>
Diluted		<u><u>(0.04)</u></u>	<u><u>(0.05)</u></u>

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

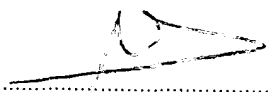
	Notes	2021 £	2020 £
LOSS FOR THE YEAR		(881,879)	(1,011,151)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Exchange difference on consolidation		(130,361)	(154,070)
Income tax relating to items of other comprehensive income		-	-
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX		(130,361)	(154,070)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(1,012,240)</u>	<u>(1,165,221)</u>
Total comprehensive income/(loss) attributable to:			
Owners of the parent		(1,012,240)	(1,165,221)
Non-controlling interests		-	-
		<u>(1,012,240)</u>	<u>(1,165,221)</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	5,403,066	5,256,313
Property, plant and equipment	10	5,856	8,288
Loans and other financial assets	12	<u>369,390</u>	<u>365,949</u>
		<u>5,778,312</u>	<u>5,630,550</u>
CURRENT ASSETS			
Trade and other receivables	13	50,108	32,520
Cash and cash equivalents	14	<u>872,000</u>	<u>1,554,424</u>
		<u>922,108</u>	<u>1,586,944</u>
TOTAL ASSETS		<u>6,700,420</u>	<u>7,217,494</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	2,650,325	2,146,862
Share premium	16	17,853,012	16,908,975
Translation reserve	16	(816,666)	(686,305)
Share scheme reserve	16	66,733	180,229
Retained earnings	16	<u>(13,223,305)</u>	<u>(12,454,922)</u>
TOTAL EQUITY		<u>6,530,099</u>	<u>6,094,839</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	170,321	322,655
Borrowings	18	<u>-</u>	<u>800,000</u>
TOTAL LIABILITIES		<u>170,321</u>	<u>1,122,655</u>
TOTAL EQUITY AND LIABILITIES		<u>6,700,420</u>	<u>7,217,494</u>

The financial statements were approved and authorised for issue by the Board of Directors on 23 June 2022 and were signed on its behalf by:



.....
Mark W Steed - Chairman

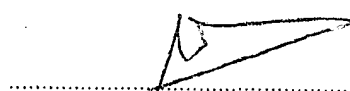
The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	3,978,851	3,978,851
Property, plant and equipment	10	479	684
Investments	11	3,703,047	3,703,047
Loans and other financial assets	12	1,985,987	1,640,353
		<u>9,668,364</u>	<u>9,322,935</u>
CURRENT ASSETS			
Trade and other receivables	13	230,070	199,691
Cash and cash equivalents	14	850,442	1,535,665
		<u>1,080,512</u>	<u>1,735,356</u>
TOTAL ASSETS		<u>10,748,876</u>	<u>11,058,291</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	2,650,325	2,146,862
Share premium	16	17,853,012	16,908,975
Share scheme reserve	16	66,733	180,229
Retained earnings	16	(10,730,957)	(10,049,674)
TOTAL EQUITY		<u>9,839,113</u>	<u>9,186,392</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	909,763	1,071,899
Borrowings	18	-	800,000
TOTAL LIABILITIES		<u>909,763</u>	<u>1,871,899</u>
TOTAL EQUITY AND LIABILITIES		<u>10,748,876</u>	<u>11,058,291</u>

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £794,779 (2020 – loss of £1,050,840).

The financial statements were approved and authorised for issue by the Board of Directors on 23 June 2022 and were signed on its behalf by:



Mark W Steed - Chairman

The notes form part of these financial statements

ORACLE POWER PLC GROUP OF COMPANIES (REGISTERED NUMBER: 05867160)

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

	Called up share capital £	Retained earnings £	Share premium £	Translation reserve £	Share Scheme reserve £	Total £	Non- controlling interests £	Total equity £
Balance at 1 January 2020	1,759,751	(11,512,373)	15,512,025	(532,235)	190,653	5,417,821	-	5,417,821
Loss for the year	-	(1,011,151)	-	-	-	(1,011,151)	-	(1,011,151)
Other comprehensive income								
Exchange difference on consolidation	-	-	-	(154,070)	-	(154,070)	-	(154,070)
Total comprehensive loss	-	(1,011,151)	-	(154,070)	-	(1,165,221)	-	(1,165,221)
Transactions with owners								
Issue of share capital	387,111	-	1,396,950	-	-	1,784,061	-	1,784,061
Share warrants exercised	-	68,602	-	-	(68,602)	-	-	-
Share warrants granted	-	-	-	-	58,178	58,178	-	58,178
Total transactions with owners	387,111	68,602	1,396,950	-	(10,424)	1,842,239	-	1,842,239
Balance at 31 December 2020	<u>2,146,862</u>	<u>(12,454,922)</u>	<u>16,908,975</u>	<u>(686,305)</u>	<u>180,229</u>	<u>6,094,839</u>	<u>-</u>	<u>6,094,839</u>
Loss for the year	-	(881,879)	-	-	-	(881,879)	-	(881,879)
Other comprehensive income								
Exchange difference on consolidation	-	-	-	(130,361)	-	(130,361)	-	(130,361)
Total comprehensive loss	-	(881,879)	-	(130,361)	-	(1,012,240)	-	(1,012,240)
Transactions with owners								
Issue of share capital	503,463	-	944,037	-	-	1,447,500	-	1,447,500
Share warrants exercised/lapsed	-	113,496	-	-	(113,496)	-	-	-
Total transactions with owners	503,463	(768,383)	944,037	(130,361)	(113,496)	435,260	-	435,260
Balance at 31 December 2021	<u>2,650,325</u>	<u>(13,223,305)</u>	<u>17,853,012</u>	<u>(816,666)</u>	<u>66,733</u>	<u>6,530,099</u>	<u>-</u>	<u>6,530,099</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Share premium £	Share Scheme reserve £	Total equity £
Balance at 1 January 2020	1,759,751	(9,067,436)	15,512,025	190,653	8,394,993
Loss for the year	-	(1,050,840)	-	-	(1,050,840)
Total comprehensive loss	-	(1,050,840)	-	-	(1,050,840)
Transactions with owners					
Issue of share capital	387,111	-	1,396,950	-	1,784,061
Share warrants exercised	-	68,602	-	(68,602)	-
Share warrants granted	-	-	-	58,178	58,178
Total transactions with owners	387,111	68,602	1,396,950	(10,424)	1,842,239
Balance at 31 December 2020	2,146,862	(10,049,674)	16,908,975	180,229	9,186,392
Loss for the year	-	(794,779)	-	-	(794,779)
Total comprehensive loss	-	(794,779)	-	-	(794,779)
Transactions with owners					
Issue of share capital	503,463	-	944,037	-	1,447,500
Share warrants exercised	-	113,496	-	(113,496)	-
Total transactions with owners	503,463	(681,283)	944,037	(113,496)	652,721
Balance at 31 December 2021	<u>2,650,325</u>	<u>(10,730,957)</u>	<u>17,853,012</u>	<u>66,733</u>	<u>9,839,113</u>

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(1,043,308)	(807,883)
Interest paid		-	-
Net cash from operating activities		<u>(1,043,308)</u>	<u>(807,883)</u>
Cash flows from investing activities			
Purchase of Australia exploration fixed assets		(190,599)	(129,740)
Purchase of Pakistan project fixed assets		(94,317)	(90,030)
Purchase of tangible fixed assets		-	(2,513)
Interest received		94	380
Net cash from investing activities		<u>(284,822)</u>	<u>(221,903)</u>
Cash flows from financing activities			
Proceeds of share issue		647,500	1,370,811
Proceeds from borrowings		-	800,000
Net cash from financing activities		<u>647,500</u>	<u>2,170,811</u>
(Decrease) / Increase in cash and cash equivalents		<u>(680,630)</u>	<u>1,141,025</u>
Cash and cash equivalents at beginning of year	2	1,554,424	413,858
Effect of foreign exchange rate changes		<u>(1,794)</u>	<u>(459)</u>
Cash and cash equivalents at end of year	2	<u>872,000</u>	<u>1,554,424</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(1,332,817)	(909,288)
Interest paid			
Net cash from operating activities		<u>(1,332,817)</u>	<u>(909,288)</u>
Cash flows from investing activities			
Purchase of Australia exploration fixed assets		-	(90,030)
Purchase of Pakistan project fixed assets		-	(20,266)
Interest received		94	380
Net cash from investing activities		<u>94</u>	<u>(109,916)</u>
Cash flows from financing activities			
Proceeds of share issue		647,500	1,370,811
Proceeds from borrowings		-	800,000
Net cash from financing activities		<u>647,500</u>	<u>2,170,811</u>
(Decrease) / Increase in cash and cash equivalents		<u>(685,223)</u>	<u>1,151,607</u>
Cash and cash equivalents at beginning of year	2	1,535,665	384,058
Effect of foreign exchange rate changes		-	-
Cash and cash equivalents at end of year	2	<u>850,442</u>	<u>1,535,665</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**
1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS
Group

	2021 £	2020 £
Loss before income tax	(881,879)	(1,011,151)
Depreciation charges	1,942	336
(Gain) / Loss on foreign exchange movement	(7,206)	27,871
Finance costs	-	-
Finance income	(94)	(380)
Taxes paid	46	-
Loss/(Profit) on disposal of tangible assets	-	1,761
	(887,191)	(981,563)
(Increase) / Decrease in trade and other receivables	(45,174)	57,387
(Decrease) / Increase in trade and other payables	(110,943)	116,293
Cash generated from operations	(1,043,308)	(807,883)

Company

	2021 £	2020 £
Loss before income tax	(794,779)	(1,050,840)
Depreciation charges	205	336
Impairment of loans	20,070	71,652
(Gain) / Loss on foreign exchange movement	(7,242)	30,258
Finance income	(17,058)	(19,542)
(Profit) / Loss on disposal of tangible assets	-	1,761
	(798,804)	(966,375)
(Increase) / Decrease in trade and other receivables	(6,173)	86,210
(Decrease) / Increase in trade and other payables	(162,136)	89,703
Increase in loans to subsidiaries	(365,704)	(118,826)
Cash generated from operations	(1,332,817)	(909,288)

2. CASH AND CASH EQUIVALENTS

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

	Group		Company	
Year ended 31 December 2021	31/12/21	1/1/21	31/12/21	1/1/21
	£	£	£	£
Cash and cash equivalents	<u>872,000</u>	<u>1,554,424</u>	<u>850,442</u>	<u>1,535,665</u>
Year ended 31 December 2020	31/12/20	1/1/20	31/12/20	1/1/20
	£	£	£	£
Cash and cash equivalents	<u>1,554,424</u>	<u>413,858</u>	<u>1,535,665</u>	<u>384,058</u>

NOTES TO THE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group

	Trade and other payables £	Borrowings £	Total £
Balance at 1 January 2020	173,835	-	173,835
Cash flows	148,820	800,000	948,820
Balance at 31 December 2020	322,655	800,000	1,122,655
Cash flows	(152,334)	-	(152,334)
Non-cash changes			
Issue of share capital	-	(800,000)	(800,000)
Balance at 31 December 2021	170,321	-	170,321

Company

	Trade and other payables £	Borrowings £	Amounts owed to group undertakings £	Total £
Balance at 1 January 2020	112,480	-	804,516	916,996
Cash flows	154,703	800,000	200	954,903
Balance at 31 December 2020	267,183	800,000	804,716	1,871,899
Cash flows	(162,036)	-	(100)	(162,136)
Non-cash changes				
Issue of share capital	-	(800,000)	-	(800,000)
Balance at 31 December 2021	105,147	-	804,616	909,763

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. STATUTORY INFORMATION

Oracle Power PLC is a public company, limited by shares and registered and domiciled in England and Wales. It is the ultimate holding company of the Oracle Power Plc Group. The Group is primarily involved in an energy project, based on the exploration and development of coal and building a mine-mouth power plant in Pakistan. The Group also has two gold prospects in Western Australia and a green hydrogen project in Pakistan. The presentation currency of the financial statements is the Pound Sterling (£). The Company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Going concern

During the year under review, the Group experienced net cash outflows from operating activities which it financed from existing cash resources held at the start of the year and cash received from the issue of new equity share capital. The Directors have considered the cash flow requirements of the Group over the next 12 months and believe that additional funding will be required to meet the Group's cash requirements over that period. This additional cash requirement creates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors expect to be able to meet the funding requirements for the Group to continue as a going concern for at least 12 months from the date of the approval of these financial statements, and consequently, the Directors consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

Compliance with accounting standards

These financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to reporting groups under IFRS.

The financial statements have been prepared under the historical cost convention.

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for assets and liabilities at the statement of financial position date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of any impairment on intangible assets and the estimation of share-based payment costs.

The principal risk and uncertainty of the intangible assets (exploration assets) is that the Group may not reach financial close – as disclosed in Note 9. The board have tested the intangible assets for impairment. For this test, the board considered market values of the assets (where applicable); results from technical and feasibility studies and reports; and the possibility of future project options available. Based on this, the board have concluded that no impairment provision is required.

The Group determines whether there is any impairment of intangible assets on an annual basis.

At the balance sheet date, the intangible assets are carried forward at their cost of £5,403,066.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Business acquisitions have been accounted for in accordance with IFRS 3, 'Business Combinations'. Fair values are attributed to the Group's share of net assets. Where the cost of acquisition exceeds the fair values attributed to such assets, the difference is treated as purchased goodwill and is capitalised. In the case of subsequent acquisitions of minority interests, the difference between the consideration payable for the additional interest in the subsidiary and the minority interest's share of the assets and liabilities reflected in the consolidated statement of financial position at the date of acquisition of the minority interest has been treated as goodwill.

Intangible fixed assets – Australia exploration costs

Expenditure on the acquisition costs, exploration and evaluation of interests in licences, including related finance and administration costs, are capitalised. Such costs are carried forward in the statement of financial position under intangible assets and amortised over the minimum period of the expected commercial production of gold in respect of each area of interest where:

- a) such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its sale;
- b) exploration activities have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations in relation to the areas are continuing.

An annual impairment review is carried out by the Directors to consider whether any exploration or development costs have suffered impairment in value where a site has been abandoned or confirmed as no longer technically feasible. Accumulated costs in respect of areas of interest that have been abandoned are written off to the profit and loss account in the year in which the area is abandoned. Australia exploration costs are carried at cost less any provision for impairment.

Intangible fixed assets – Pakistan project costs

Expenditure on the Pakistan project to achieve final project approval prior to the start of mine operations including related finance and administration costs are capitalised. Such costs are carried forward in the statement of financial position under intangible assets and amortised over the minimum period of the expected commercial production of coal in respect of each area of interest

An annual impairment review is carried out by the Directors to consider whether the project costs have suffered impairment in value where the commercial outlook for the project is assessed to have deteriorated. Pakistan project costs are carried at cost less any provision for impairment.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 20% on reducing balance
Computer equipment	- 30% on reducing balance

Investments

Fixed asset investments are stated at cost. The investments are reviewed annually and any impairment is taken directly to the statement of profit or loss. Investments in subsidiaries are fully consolidated within the Group financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

- Cash and cash equivalents comprise cash held at bank and short term deposits
- Trade payables are not interest bearing and are stated at their nominal value
- Receivables denominated in foreign currency are retranslated at the balance sheet date
- Equity instruments issued by the Company are recorded at the proceeds received except where those proceeds appear to be less than the fair value of the equity instruments issued, in which case the equity instruments are recorded at fair value. The difference between the proceeds received and the fair value is reflected in the share based payments reserve.

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Foreign currencies

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

Profit and losses of overseas subsidiary undertakings are translated into sterling at average rates for the year. The statements of financial position of overseas subsidiary undertakings are translated at the rate ruling at the statement of financial position date. Differences arising from the translation of Group investments in overseas subsidiary undertakings are recognised as a separate component of equity.

Net exchange differences classified as equity are separately tracked and the cumulative amount disclosed as a translation reserve.

The principal place of business of the Group is the United Kingdom with sterling being the functional currency. Funds are advanced to Pakistan as required to finance the exploration costs which are payable locally.

Leasing commitments

All leases held are either short-term leases or are for low value assets. The rentals paid are charged to the statement of profit or loss on a straight line basis over the period of the lease.

Employee benefit costs

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

Share-based payment transactions

Where equity settled share warrants are awarded to employees, the fair value of the warrants at the date of grant is charged to the statement of 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 statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of warrants that eventually vest. Market vesting conditions are factored into the fair value of all warrants granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

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

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

Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and bank balances.

New standards and interpretations applied

In preparing these financial statements the Company has reviewed all new standards and interpretations.

New Standards, Interpretations and Amendments effective from 1 January 2021

The following new and revised Standards and Interpretations have been adopted in these financial statements but their adoption has not had any significant impact on the amounts reported in these financial statements:

- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (amended 2020)
- IFRS 9 Financial Instruments (amended August 2020)
- IFRS 7 Financial Instruments: Disclosures (amended 2020)
- IFRS 16 Leases (amended August 2020)

The other new and revised Standards and Interpretations are not considered to be relevant to the Company's financial reporting and operations and are not detailed in these financial statements.

New Standards, Interpretations and Amendments that are not yet effective and have not been adopted early

The following new and revised Standards and Interpretations are relevant to the Company but not yet effective for the year commencing 1 January 2022 and have not been applied in preparing these financial statements:

- IFRS 3 Business Combinations (amended 2021)
- IAS 1 Presentation of Financial (amended 2021)
- IAS 37 Provisions, contingent liabilities and contingent assets (amended 2021)
- Property, plant and equipment (amended 2021)

The Directors do not consider that the implementation of any of these new standards will have a material impact upon reported income or reported net assets.

3. SEGMENTAL REPORTING

Based on risks and returns, the Directors consider that the primary business reporting format is by business segment which are currently 1) the principal activity of the Group is an energy project, based on the exploration and development of coal mining and building a mine-mouth power plant in Pakistan; and 2) an investment in Western Australia for the exploration and future extraction of gold. The segments are not yet revenue generating and the primary financial reporting metrics are the value of intangible assets relating to the projects and total spend to date.

Group intangible non-current assets of £4,593,369 (2020: £4,629,855) are attributable to the project in Pakistan. The remaining Group intangible non-current assets of £809,697 (2020: £626,458) relate to an investment in Western Australia for the exploration and future extraction of gold.

To-date the Group has raised a total £22m and spent £17.9m on Thar Block VI and £0.8m on the Western Australia gold project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**4. EMPLOYEES AND DIRECTORS**

	2021 £	2020 £
Wages and salaries	296,467	326,270
Social security costs	714	-
Pension contributions to money purchase schemes	<u>3,673</u>	<u>2,475</u>
	<u>300,854</u>	<u>328,745</u>

The average monthly number of employees of the Company during the year was as follows:

	2021	2020
Directors	4	4
Administration and production	<u>3</u>	<u>4</u>
	<u>7</u>	<u>8</u>

	2021 £	2020 £
Directors' remuneration	233,350	327,255
Company contributions to Directors' pension money purchase schemes	<u>1,763</u>	<u>2,475</u>

The number of Directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>1</u>
------------------------	----------	----------

The number of Directors who exercised share options was as follows:

	<u>2</u>	<u>-</u>
--	----------	----------

Information regarding the highest paid director is as follows:

Remuneration	<u>150,000</u>	<u>212,500</u>
--------------	----------------	----------------

The highest paid director exercised 24,000,000 share options during the year (2020: nil).

Details of remuneration for each Director are included in the Report of the Directors.

5. NET FINANCE INCOME

	2021 £	2020 £
Finance income:		
Deposit account interest	<u>94</u>	<u>380</u>
Finance costs:		
Loan interest	<u>-</u>	<u>-</u>
Net finance income	<u>94</u>	<u>380</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**6. LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	1,942	2,116
Auditors' remuneration	19,979	22,550
Foreign exchange differences	<u>(3,737)</u>	<u>27,871</u>

The depreciation charges shown above include £1,737 (2020: £1,779) which have been capitalised as exploration costs by the subsidiary company in accordance with the accounting policy.

7. INCOME TAX**Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Factors affecting the tax expense

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

	2021	2020
	£	£
Loss before income tax	<u>(881,879)</u>	<u>(1,011,151)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(167,557)	(192,119)
Effects of:		
Foreign losses of subsidiaries	17,139	2,909
Inter company items eliminated	3,223	3,641
Disallowed expenses	39	13,826
Potential deferred taxation on losses for year	<u>147,156</u>	<u>171,743</u>
Tax expense	<u>-</u>	<u>-</u>

The Group and Company has estimated UK excess management charges of £10,484,116 (2020: £9,592,519) to carry forward against future income. The overseas subsidiaries have losses of £186,233 (2020: £122,539) which will be carried forward to offset future profits. There is no charge for foreign taxation for the year (2020: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

8. LOSS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. In addition to the weighted average number of shares, the weighted average potentially dilutive instruments amounted to 654,728,717 (2020: 729,890,563). No adjustment is made where the effect would be to dilute the loss attributable to the ordinary shareholders.

Reconciliations are set out below.

	Earnings	2021 Weighted average number of shares	Per-share amount pence
	£		
Basic EPS			
Earnings attributable to ordinary shareholders	(881,879)	2,257,793,111	(0.04)
Effect of dilutive securities	-	-	-

Diluted EPS			
Adjusted earnings	(881,879)	2,257,793,111	(0.04)

	Earnings	2020 Weighted average number of shares	Per-share amount pence
	£		
Basic EPS			
Earnings attributable to ordinary shareholders	(1,011,151)	1,954,623,146	(0.05)
Effect of dilutive securities	-	-	-

Diluted EPS			
Adjusted earnings	(1,011,151)	1,954,623,146	(0.05)

There is no difference between the basic and diluted loss per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

9. INTANGIBLE ASSETS

Group	Australia Exploration Costs £	Pakistan Project Costs £	Total £
COST			
At January 2021 as restated	626,458	4,629,855	5,256,313
Additions	186,919	97,762	284,681
Exchange differences	(3,680)	(134,248)	(137,928)
At 31 December 2021	<u>809,697</u>	<u>4,593,369</u>	<u>5,403,066</u>
NET BOOK VALUE			
At 31 December 2021	<u>809,697</u>	<u>4,593,369</u>	<u>5,403,066</u>
	Australia Exploration Costs £	Pakistan Project Costs £	Total £
COST			
At 1 January 2020 as previously stated	4,633,022	-	4,633,022
Prior period adjustment	(4,633,022)	4,633,022	-
At 1 January 2020 as restated	<u>-</u>	<u>4,633,022</u>	<u>4,633,022</u>
Additions	626,458	147,311	773,769
Exchange differences	-	(150,478)	(150,478)
At 31 December 2020 as restated	<u>626,458</u>	<u>4,629,855</u>	<u>5,256,313</u>
NET BOOK VALUE			
At 31 December 2020 as restated	<u>626,458</u>	<u>4,629,855</u>	<u>5,256,313</u>

In the 2021 financial year, the Directors reviewed intangible assets and have renamed the existing single category of Exploration costs as Australia Exploration Costs and created an additional class of Pakistan Project Costs. A prior period adjustment was made to reclassify the opening intangible assets at 1 January 2020 as Pakistan Project Costs in accordance with the updated accounting policy.

The Group's Australia Exploration costs of £809,697 and Pakistan Project Costs of £4,569,369 are currently being carried forward at cost in the financial statements. The Group will need to raise funds to reach financial close on both projects. Also, financial close involves the raising of finance, both debt and equity for the opening up of the mines and the construction of the power plant. If the Group is unable to raise this finance, some of the assets may require impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

9. INTANGIBLE ASSETS - continued

Company	Australia Exploration Costs £	Pakistan Project Costs £	Total £
COST			
At January 2021 as restated	626,458	4,629,855	5,256,313
Additions	186,919	97,762	284,681
At 31 December 2021	809,697	4,593,369	5,403,066
NET BOOK VALUE			
At 31 December 2021	809,697	4,593,369	5,403,066
	Australia Exploration Costs £	Pakistan Project Costs £	Total £
COST			
At 1 January 2020 as previously stated	3,332,126	-	3,332,126
Prior period adjustment	(3,332,126)	3,332,126	-
At 1 January 2020 as restated	-	3,332,126	3,332,126
Additions	626,458	20,267	646,725
At 31 December 2020 as restated	626,458	3,352,393	3,978,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

10. PROPERTY, PLANT AND EQUIPMENT

Group

	Motor vehicles £	Computer equipment £	Total £
COST			
At 1 January 2021	16,165	4,763	20,928
Additions	-	-	-
Disposals	-	-	-
Exchange differences	(1,288)	(258)	(1,546)
At 31 December 2021	14,877	4,505	19,382
DEPRECIATION			
At 1 January 2021	10,958	1,682	12,640
Charge for year	1,027	915	1,942
Depreciation on disposal	-	-	-
Exchange differences	(943)	(113)	(1,056)
At 31 December 2021	11,042	2,484	13,526
NET BOOK VALUE			
At 31 December 2021	3,835	2,021	5,856

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
COST				
At 1 January 2020	1,385	17,378	5,719	24,482
Additions	-	-	2,882	2,882
Disposals	(1,385)	-	(3,615)	(5,000)
Exchange differences	-	(1,213)	(223)	(1,436)
At 31 December 2020	-	16,165	4,763	20,928
DEPRECIATION				
At 1 January 2020	721	10,379	3,537	14,637
Charge for year	-	1,391	725	2,116
Depreciation on disposal	(721)	-	(2,518)	(3,239)
Exchange differences	-	(812)	(62)	(874)
At 31 December 2020	-	10,958	1,682	12,640
NET BOOK VALUE				
At 31 December 2020	-	5,207	3,081	8,288

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

10. PROPERTY, PLANT AND EQUIPMENT - continued

Company	Computer equipment £	Total £
COST		
At 1 January 2021	1,524	1,524
Additions	-	-
At 31 December 2021	1,524	1,524
DEPRECIATION		
At 1 January 2021	840	840
Charge for year	205	205
At 31 December 2021	1,045	1,045
NET BOOK VALUE		
At 31 December 2021	479	479

Company	Fixtures and fittings £	Computer equipment £	Total £
COST			
At 1 January 2020	1,385	5,139	6,524
Additions	-	-	-
Disposals	(1,385)	(3,615)	(5,000)
At 31 December 2020	-	1,524	1,524
DEPRECIATION			
At 1 January 2020	721	3,021	3,742
Charge for year	-	337	337
Depreciation on disposal	(721)	(2,518)	(3,239)
At 31 December 2020	-	840	840
NET BOOK VALUE			
At 31 December 2020	-	684	684

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 January 2021 and 31 December 2021

3,703,047

NET BOOK VALUE

At 1 January 2021 and 31 December 2021

3,703,047

Company

Shares in
group
undertakings
£

COST

At 1 January 2020
Additions

3,702,847
200

At 31 December 2020

3,703,047

NET BOOK VALUE

At 31 December 2020

3,703,047

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. INVESTMENTS - continued

Company

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

Subsidiaries**Sindh Carbon Energy Limited**

Registered office: 44/2, Street B-6, Phase V, Off Khyaban e Shaheen, Defense Housing Authority, Karachi, Pakistan.

Nature of business: Coal exploration and mining.

	% holding	2021 £	2020 £
Class of shares:			
Ordinary shares of Rs. 10 each	100.00 (2020: 100.00)		
Aggregate capital and reserves		<u>617,279</u>	<u>617,279</u>

The subsidiary company was incorporated in Pakistan on 23 January 2007 for the exploration and future extraction of coal in Pakistan. Oracle Power PLC agreed to acquire 80% of the ordinary share capital of the company at par, fully paid by cash.

On 14 March 2016 Oracle Power PLC took up a rights issue to acquire a further 9,000,000 ordinary shares of the company at par for consideration of £603,141. The acquisition was settled through a reduction of the inter-company loan and increased the holding in the subsidiary to 98%.

On 12 March 2018 Oracle Power PLC acquired the remaining 2% of Sindh Carbon Energy Limited. This was acquired via a share for share exchange where Oracle Power PLC issued 95,652,174 shares in exchange for the remaining 199,999 ordinary shares of Sindh Carbon Energy Limited.

The investment in share capital for the 100% holding amounts to £2,867,256 (2020: £2,867,256).

Revive Financial Limited

Registered office: Tennyson House, Cambridge Business Park, Cambridge, CB4 0WZ

Nature of business: Administration and financial support

	% holding	2021 £	2020 £
Class of shares:			
Ordinary shares of 1p each	100.00 (2020: 100.00)		
Aggregate capital and reserves		<u>804,516</u>	<u>804,516</u>

Revive Financial Limited ("Revive") was incorporated on 8 October 2013 but has not yet commenced trading and has no profit or loss for the year (2020: Nil).

Revive was acquired under the terms of a share exchange agreement whereby shares in Oracle were allotted to the shareholders of Revive in exchange for their shareholdings in Revive. Revive became a subsidiary of Oracle upon the completion of the share exchange on 18 October 2013.

Following the share for share exchange, Revive made a loan of £804,516 to Oracle. The loan of £804,516 (2020: £804,516) which remains outstanding is interest free and is repayable within 30 days of giving written notice of demand for repayment. Post year end, Revive forgave its loan to Oracle and was voluntarily dissolved on 26 April 2022.

The investment in share capital for the 100% holding amounted to £804,516.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. INVESTMENTS - continued

Company

Thar Electricity (Private) Limited

Registered office: PIA Building, 3rd Floor, 49, Blue Area, Fazlul Haq Road, Islamabad, Pakistan

Nature of business: Energy production

	% holding	2021 £	2020 £
Class of shares:			
Ordinary shares of Rs. 10 each	100.00 (2020: 100.00)		
Aggregate capital and reserves		(90,174)	(16,586)
Loss for the year		<u>(5,276)</u>	<u>(6,999)</u>

The subsidiary company was incorporated in Pakistan on 17 June 2015 for the future generation of electricity in Pakistan. Oracle agreed to acquire 100% of the ordinary share capital of the company at par, fully paid by cash.

The investment in share capital for the 100% holding amounted to £31,075.

Company

Oracle Gold Limited

Registered office: Tennyson House, Cambridge Business Park, Cambridge, England, CB4 0WZ

Nature of business: Administration and financial support

	% holding	2021 £	2020 £
Class of shares:			
Ordinary shares of £1 each	100.00 (2020: 100.00)		
Aggregate capital and reserves		100	100
Loss for the year		<u>-</u>	<u>-</u>

The subsidiary company was incorporated on 29 October 2020 but has not yet commenced trading and has no profit or loss for the year (2020: Nil).

The investment in share capital for the 100% holding amounted to £100.

The Company has guaranteed all outstanding liabilities of the subsidiary company as at 31 December 2021, this provides the subsidiary company with an exemption from audit under Section 479C of the Companies Act 2006.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. INVESTMENTS - continued

Company

Oracle Gold Resources Limited

Registered office: Tennyson House, Cambridge Business Park, Cambridge, England, CB4 0WZ

Nature of business: Administration and financial support

	% holding	2021 £	2020 £
Class of shares:			
Ordinary shares of £1 each	100.00 (2020: 100.00)		
Aggregate capital and reserves		100	100
Loss for the year		-	-

The subsidiary company was incorporated on 29 October 2020 but has not yet commenced trading and has no profit or loss for the year (2020: Nil).

The investment in share capital for the 100% holding amounted to £100.

The Company has guaranteed all outstanding liabilities of the subsidiary company as at 31 December 2021, this provides the subsidiary company with an exemption from audit under Section 479C of the Companies Act 2006.

Company

Oracle Gold Pty Limited

Registered office: Suite 23, 513 Hay Street, Subiaco, WA 6008

Nature of business: Gold exploration and mining

	% holding	2021 £	2020 £
Class of shares:			
Ordinary shares of AUD \$1 each	100.00 (2020: 100.00)		
Aggregate capital and reserves		(84,779)	(8,521)
Loss for the year		(78,167)	(8,522)

The subsidiary company was incorporated in Australia on 16 November 2020 for the exploration and future extraction of gold. On the same date, Oracle acquired licences to operate two gold projects in Western Australia. These projects will be managed and operated by the company. The acquisition of the projects was satisfied by a payment of £90,000 in cash by the parent company, Oracle and the issue of 42,857,143 new ordinary shares of 0.1 pence and warrants to subscribe for further 42,857,143 Ordinary Shares in Oracle exercisable at a price of 1.1p.

The investment in share capital for the 100% holding amounted to £0.56.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. INVESTMENTS - continued

Company

Oracle Energy Limited

Registered office: House No 91, Shahrah-E-Iran, Block 5 Clifton, Karachi, Saddar Town, Karachi South, Sindh

Nature of business: Energy production

	% holding	2021 £	2020 £
Class of shares:			
Ordinary shares of Rs. 10 each	100.00 (2020:nil)		
Aggregate capital and reserves		(6,309)	-
Loss for the year		(6,309)	-

The subsidiary company was incorporated in Pakistan on 19 November 2021 for the future generation of power.

The investment in share capital for the 100% holding amounted to £4,192.

12. LOANS AND OTHER FINANCIAL ASSETS

Group	2021 £	2020 £
Financial assets	369,390	365,949

The financial asset of £369,390 (2020: 365,949) represents a performance guarantee for US\$500,000 issued in favour of Director General, Coal Mines Development Department to cover company obligations under the mining lease. The guarantee was originally valid up to the earliest of the date commercial operations begin, three years from the date of issue, or 2 February 2018. This has been further extended to 31 January 2023. This performance guarantee is secured by a deposit by Oracle with the issuing bank.

Company

	Loans to group undertakings £
At 1 January 2021	1,274,404
New in year	362,263
Impairment	(20,070)
Exchange differences	-
At 31 December 2021	1,616,597

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

12. LOANS AND OTHER FINANCIAL ASSETS - continued

	Loans to group undertakings £
At 1 January 2020	1,210,552
New in year	137,891
Impairment	(71,651)
Exchange differences	(2,388)
At 31 December 2020	<u>1,274,404</u>

Other financial assets were as follows:

Company	2021 £	2020 £
Financial assets	<u>369,390</u>	<u>365,949</u>

In addition to the items disclosed for the Group, during the period Oracle Power PLC made loans to its subsidiaries totalling £65 (2020: £nil) to Sindh Carbon Energy Limited, £111,049 (2020: £137,891) to Thar Electricity (Private) Limited and £251,249 (2020: £nil) to Oracle Gold Pty Limited.

The amounts outstanding at the statement of financial position date were £1,078,588 (2020: £1,078,523) due from Sindh Carbon Energy Limited, £378,581 (2020: £267,532) due from Thar Electricity (Private) Limited, of which £31,457 is denoted in USD of \$42,980 and £251,249 (2020: £nil) due from Oracle Gold Pty Limited. Interest accrues on a daily basis at a rate of 1% over the Bank of England base rate. The loans are unsecured and although they are repayable on demand, they are unlikely to be repaid until the project becomes successful and the subsidiaries start to generate revenues. The loans were reviewed for impairment and an impairment charge of £20,070 (2020: £71,651) was recognised in the year.

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Current:				
Other receivables	985	1,346	187,879	170,904
VAT	20,264	12,246	15,960	11,394
Prepayments and accrued income	<u>28,859</u>	<u>18,928</u>	<u>26,231</u>	<u>17,393</u>
	<u>50,108</u>	<u>32,520</u>	<u>230,070</u>	<u>199,691</u>

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Bank deposit account	837,621	1,515,144	837,621	1,515,144
Bank accounts	<u>34,379</u>	<u>39,280</u>	<u>12,821</u>	<u>20,521</u>
	<u>872,000</u>	<u>1,554,424</u>	<u>850,442</u>	<u>1,535,665</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED 31 DECEMBER 2021

15. CALLED UP SHARE CAPITAL

	2021 £	2020 £
Allotted, issued and fully paid 2,650,325,712 (2020: 2,146,862,217) Ordinary shares of 0.1p each	<u>2,650,325</u>	<u>2,146,862</u>

The shares issued during the year were as follows:

Date issued	Class of shares allotted	Number of shares allotted	Nominal value of each share	Amount paid (including share premium) on each share
12 January 2021	Ordinary	21,820,720	0.1p	0.46p
22 February 2021	Ordinary	6,000,000	0.1p	0.25p
16 April 2021	Ordinary	20,838,542	0.1p	0.48p
19 August 2021	Ordinary	30,242,545	0.1p	0.33p
8 September 2021	Ordinary	31,281,281	0.1p	0.32p
23 September 2021	Ordinary	34,581,733	0.1p	0.29p
12 October 2021	Ordinary	36,513,674	0.1p	0.27p
26 October 2021	Ordinary	69,185,000	0.1p	0.25p
29 November 2021	Ordinary	200,000,000	0.1p	0.25p
13 December 2021	Ordinary	9,000,000	0.1p	0.25p
23 December 2021	Ordinary	44,000,000	0.1p	0.25p

The number of shares in issue are as follows:

	2021 No.	2020 No.
At 1 January	2,146,862,217	1,759,750,959
Issued during the year	<u>503,463,495</u>	<u>387,111,258</u>
At 31 December	<u>2,650,325,712</u>	<u>2,146,862,217</u>

At 31 December 2021 the total warrants in issue were 298,739,495 (2020: 832,467,835) comprising warrants issued to brokers and investors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

16. RESERVES

The following is a description of each of the reserve accounts that comprise equity shareholders' funds:

Share capital	The share capital comprises the issued ordinary shares of the company at par.
Share premium	The share premium comprises the excess value recognised from the issue of ordinary shares at par.
Translation reserve	Cumulative gains and losses on translating the net assets of overseas operations to the presentation currency.
Share scheme reserve	Cumulative fair value of warrants charged to the statement of comprehensive income net of transfers to the profit and loss reserve on exercised and cancelled/lapsed warrants.
Retained earnings	Retained earnings comprise the group's cumulative accounting profits and losses since inception.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Current:				
Trade payables	92,182	126,621	62,050	101,463
Amounts owed to group undertakings	-	-	804,616	804,716
Other payables	7,138	420	6,751	-
Accruals and deferred income	<u>71,001</u>	<u>195,614</u>	<u>36,346</u>	<u>165,720</u>
	<u>170,321</u>	<u>322,655</u>	<u>909,763</u>	<u>1,071,899</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**18. BORROWINGS**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Current:				
Other loans	-	800,000	-	800,000
	<u>-</u>	<u>800,000</u>	<u>-</u>	<u>800,000</u>

In the prior year, the Company entered into a financing facility comprising a share subscription deed for new ordinary shares of 0.1 pence each in the Company. Investment under the Subscription Deed was made by way of prepayment for new ordinary shares to be issued. The amounts outstanding in the prior year comprised of amounts invested not yet settled by new ordinary share issue. During the year the outstanding loan amount was settled by issue of new ordinary shares, as such, the loan amount at the year end was nil.

19. LEASING AGREEMENTS

Expense and net cash outflow incurred under leasing agreements:

Group	2021	2020
	£	£
Short term leases	14,281	18,638
Low value assets	<u>3,665</u>	<u>1,345</u>
	<u>17,946</u>	<u>19,983</u>
Company		
	2021	2020
	£	£
Short term leases	13,688	18,171
Low value assets	<u>3,665</u>	<u>1,345</u>
	<u>17,353</u>	<u>19,516</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

20. FINANCIAL RISK MANAGEMENT

The carrying value of the group's financial assets and liabilities are recognised at the balance sheet date of the years under review are categorised as follows:

	2021 £	2020 £
Financial assets – at amortised cost		
Cash and bank balances	872,000	1,554,424
Loans and receivables	-	1,346
Receivables denominated in foreign currency	369,390	365,949
Financial liabilities – at amortised cost		
Trade and other payables	99,320	127,041
Borrowings	-	800,000

The main purpose of these financial instruments is to finance the Group's operations. The Board regularly reviews and agrees policies for managing the level of risk arising from the Group's financial instruments as summarised below.

a) Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's income or value of its holdings in financial instruments.

i) Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures. The Group is exposed to currency risk on cash and cash equivalents, loans, receivables and payables that are denominated in currencies other than sterling which is the functional currency of the Group.

The Group's net exposure to foreign currency risk at the reporting date is as follows:

	2021 £	2020 £
Pakistan Rupees	(18,609)	(24,459)
US Dollars	369,390	365,949
Australian Dollars	(20,555)	(8,520)
	<u>330,226</u>	<u>332,970</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

20. FINANCIAL RISK MANAGEMENT - continued

Sensitivity analysis

The sensitivity analysis has been undertaken using an assumption of a 10 percent movement on the exchange rates. A 10 percent strengthening of sterling against the Pakistan Rupee, US Dollar and Australian Dollar at 31 December 2021 would have increased/(decreased) equity and profit and loss by the amounts shown below:

	Equity		Profit and loss	
	2021	2020	2021	2020
	£	£	£	£
Pakistan Rupees	1,692	2,223	-	-
US Dollars	(33,581)	(33,268)	(33,581)	(33,268)
Australian Dollars	539	775	-	-

A 10 percent weakening of sterling against the Pakistan Rupee, US Dollar or Australian Dollar at 31 December 2021 would have an equal but opposite effect on the amounts shown above.

Differences that arise from the translation of these foreign currency cash equivalents and loans to sterling at the year-end rates are recognised in other comprehensive income in the year and the cumulative effect as a separate component in equity. The Group does not hedge this translation exposure in profits and equity.

ii) Interest Rate Risk

The Group has interest bearing accounts and have earned interest income of £94 in the year. Given the level of interest income earned in the year, interest rate risk is not considered to be material to the Group.

b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral. Credit risk in relation to cash held with financial institutions is considered low, given the credit rating of these institutions.

The Group's principal financial assets are the cash and cash equivalents and taxation receivable as recognised in the statement of financial position, and which represent the Group's maximum exposure to credit risk in relation to financial assets. At year end the Group held £872,000 (2020: £1,554,424) cash and cash equivalents; £369,390 (2020: £365,949) other financial assets held with financial institutions; and £20,264 (2020: £12,246) taxation receivable. The Group's financial assets are considered to be of a high credit rating.

At year end, the Company held £850,442 (2020: £1,535,665) cash and cash equivalents; £369,390 (2020: £365,949) other financial assets held with financial institutions; and £15,959 (2020: £11,394). These financial assets are considered to be of a high credit rating.

The Company has made unsecured loans to its subsidiaries of £1,078,588 (2020: £1,078,523) to Sindh Carbon Energy Limited, £383,151 (2020: £267,532) to Thar Electricity (Private) Limited and £251,149 (2020: £nil) to Oracle Gold Pty Limited. Although they are repayable on demand, they are unlikely to be repaid until the project becomes successful and the subsidiaries start to generate revenue. The Company considers the loans are of a lower credit rating. The loans were assessed for impairment and an impairment charge of £20,070 (2020: £71,651) was recognised in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**20. FINANCIAL RISK MANAGEMENT - continued****b) Credit Risk – continued**

The Company assessed impairment by considering a range of future interest rates between 1% and 1.75%, and potential periods until the loans are able to be repaid between 1 and 10 years. The Directors considered the most likely scenario was an interest rate of 1.1% and a 5-year repayment period which were the same assumptions in 2020. The movement in the impairment provision in the year was an increase of £20,070 from £71,651 in 2020 to £91,721 in 2021. The reason for the increase in the provision was due to the increase in size of the loans.

c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

The following tables illustrate the contractual maturity profiles of its financial liabilities, all of which are repayable within one year, as at 31 December:

	2021 £	2020 £
Maturity up to one year:		
Trade and other payables	99,320	126,621
	<u>99,320</u>	<u>126,621</u>

d) Fair Values of Financial Assets and Liabilities

The carrying value of all financial assets and liabilities in the financial statements approximate their fair values.

Capital Management

The Company's capital consists wholly of ordinary shares, together with their associated share premium. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

21. CONTINGENT LIABILITIES

On 3 February 2015, a performance guarantee for US\$500,000 was issued in favour of Director General, Coal Mines Development Department to cover company obligations under the mining lease. The guarantee was originally valid up to the earliest of the date commercial operations begin, three years from the date of issue, or 2 February 2018. This has been extended to 31 January 2023. This performance guarantee is secured by a deposit by Oracle Power PLC with the issuing bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

22. RELATED PARTY DISCLOSURES

During the year, Oracle Power PLC accrued interest of £11,998 (2020: £16,477) in respect of loans totalling £1,078,588 (2020: £1,078,523) made to Sindh Carbon Energy Limited, £3,667 (2020: £2,557) in respect of loans totalling £378,581 (2020: £267,532) made to Thar Electricity (Private) Limited and £1,298 (2020: £nil) in respect of loans totalling £251,249 (2020: £nil) made to Oracle Gold Pty Limited.

At the Statement of Financial Position date, the total interest outstanding amounted to £176,263 (2020: £164,261) for Sindh Carbon Energy Limited, £10,317 (2020: £6,643) for Thar Electricity (Private) Limited and £1,298 (2020: £nil) for Oracle Gold Pty Limited. The loans due from Sindh Carbon Energy Limited, Thar Electricity (Private) Limited and Oracle Gold Pty Limited were reviewed for impairment and an impairment charge of £20,070 (2020: £71,651) was recognised in the year. Total impairment charge to date amounts to £91,722 (2020: £71,651).

Oracle Power PLC owes £804,516 (2020: £804,516) to its subsidiary Revive Financial Limited in respect of a loan. The loan is interest free and is repayable within 30 days of receiving a written notice demanding repayment. Post year end, Revive Financial Limited forgave its loan to Oracle and was voluntarily dissolved on 26 April 2022.

Key management personnel compensation

The Directors and key management personnel of the Group during the year were follows:

Mr M W Steed (Non-Executive Director and Chairman)
 Ms N Memon (Chief Executive Officer)
 Mr A Migge (Non-Executive Director)
 Mr D Hutchins (Non-Executive Director)
 Mr N Lee (Company Secretary)

The aggregate compensation made to key management personnel of the Group is set out below:

	2021	2020
	£	£
Short-term employee benefits	291,749	326,270
Post-employment benefits	4,387	2,475
Termination benefits	-	-
	<u>296,136</u>	<u>328,745</u>

Details of key management personnel compensation are disclosed in the Remuneration Report included in the Directors Report.

Key management personnel equity holdings

Details of key management personnel beneficial interests in the fully paid ordinary shares of the Company are disclosed in the Directors Report.

23. EVENTS AFTER THE REPORTING PERIOD

Since the reporting date, the Company has entered into the following reportable transactions.

On 22 January 2022, the \$500,000 performance guarantee referred to in Note 21 was extended to 31 January 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**23. EVENTS AFTER THE REPORTING PERIOD continued**

On 24 January 2022, the Company entered into a non-binding Memorandum of Understanding ("the MoU") with Sui Southern Gas Company Limited ("SSGC"), a publicly listed company on the Pakistan Stock Exchange, which is majority-owned by the Government of Pakistan, relating to the joint development of a synthetic natural gas (syngas) project utilising coal from Thar.

On 30 March 2022, the Company announced that it had entered into a joint venture with the Private Office of His Highness Sheikh Ahmed Dalmook Al Maktoum (represented through Kaheel Energy FZE, a wholly owned free zone company incorporated under the laws of Dubai, UAE ("Kaheel Energy")), with the objective of advancing the Company's green hydrogen project in Pakistan.

On 1 April 2022, the Company announced that it had raised gross proceeds of £800,000 by way of a placing of 246,153,846 new ordinary shares of 0.1p each in the Company. The net proceeds of the Placing are expected to be primarily applied to support the advancement of the Company's green hydrogen project through the joint venture with His Highness Sheikh Ahmed Dalmook Al Maktoum.

24. SHARE-BASED PAYMENT TRANSACTIONS

The Company has a share warrant programme that entitles the holders to purchase shares in the Company with the warrants exercisable at the price determined at the date of granting the warrant. The terms and conditions of the grants active in the year are as follows; there are no vesting conditions to be met and all warrants are to be settled by the issue of shares:

Grant date		Number of instruments	Contractual life of warrants
21 February 2019		5,882,352	3 years

The number and weighted average exercise prices of share warrants is as follows:				
	Weighted average exercise price 2021	Number of warrants 2021	Weighted average exercise price 2020	Number of warrants 2020
Outstanding at 1 January	0.92p	42,408,157	0.92p	42,408,157
Granted during the period		-		-
Expired during the period	1.46p	(22,525,805)		-
Exercised during the period	0.25p	(14,000,000)		-
Outstanding at 31 December	0.43p	<u>5,882,352</u>	0.92p	<u>42,408,157</u>
Exercisable at 31 December	0.43p	<u>5,882,352</u>	0.92p	<u>42,408,157</u>

The weighted average contractual life remaining at year end was 0.16 years (2020:1.22 years). The outstanding warrants at year end were all exercisable at 0.43p (2020:0.25p-3p).

During the year 14,000,000 relevant share warrants were exercised (2020: nil) and 22,525,805 share warrants expired during the year (2020: nil).

There is no expense for the year (2020: nil) for services received in respect of equity settled share-based payment transactions.