Guardian Global Security plc (formerly Nu-Oil and Gas plc)

Incorporated and registered in England and Wales with registered number 06370792

Annual Reports and Accounts for the 18 month period ended 31 December 2021

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Corporate Information

Directors	Jay Bhattacherjee, Non-Executive Chairman (resigned on 27 January 2023) Andrew Dennan, Non-Executive Director Frank Jackson, Non-Executive Director
Company secretary	David Lau
Registered office	Guardian Global Security plc Audley House 13 Palace Street London SW1E 5HX United Kingdom
Nominated adviser	Strand Hanson Limited 26 Mount Row Mayfair London W1K 3SQ United Kingdom
Broker	NOVUM Securities Limited 8-10 Grosvenor Gardens London SW1W 0DH United Kingdom
Solicitors	FieldFisher Riverbank House 2 Swan Lane, London EC4R 3TT United Kingdom
Bankers	HSBC 5 Great Underbank, Stockport, Cheshire SK1 1LH United Kingdom
Auditor	Crowe U.K. LLP 3rd Floor The Lexicon, Mount Street, Manchester M2 5NT
Registrars	SLC Registrars, Elder House, St Georges Business Park Brooklands Road Weybridge Surrey KT13 0TS United Kingdom
Incorporation details	The Company is incorporated and registered in England and Wales with registered number 06370792

Directors' Report

The Directors submit their report together with the audited Financial Statements of Guardian Global Security plc, a publicly limited company, for the eighteen months to December 31 2021.

Results and dividends

The Financial Statements for the eighteen months to December 31 2021 are as set out on pages 10 to 27. The Company's loss for the period was £1,111,000 (2020: £705,000). The Company is unable to recommend the payment of a dividend at this time (2020: £nil).

Future developments

The company was not able to complete a transaction constituting an RTO within the deadline stipulated by AIM, and consequently the Company's admission to trading on AIM has been cancelled.

Capital structure and significant shareholders

Details of the issued share capital together with details of movements in share capital during the year are included in the Statement of Changes in Equity on page 12 and in Note 14 to the Financial Statements.

The Company had one private investor who was classified as a significant shareholder who held 7.28 % of the issued share capital at the reporting date.

Annual General Meeting

The Company's next Annual General Meeting will be held on or around 3 May 2023 at 10:00 a.m. A notice of the Annual General Meeting will be issued at least 21 days in advance.

Contracts of significance

At the date of this report and following the Company's return of the equity interest held in EOI, the Company only holds one contract of significance, which might be deemed essential to its ongoing economic success. This relates to the loan from C4 Energy Ltd. The lender is supportive of the Board and the designation of the Company as a cash shell and of the implications that holds. At the reporting date, the Company's holds an obligation to settle £2,500,000 with C4 Energy Ltd which will remain outstanding until it is extinguished as per the terms previously announced.

Independent auditors

A resolution to reappoint Crowe U.K. LLP ('Crowe') as the Company's independent auditors will be proposed at the forthcoming Annual General Meeting.

Going concern

The Directors judge it appropriate to adopt the going concern basis in preparing the financial statements.

In forming this judgement, the Directors reviewed the Company's funding, budget and business plan for the twelve months from signing the financial statements. The Directors have relied upon the critical assumption that the Company will be able to achieve the key milestones of the business plan, notably with regard to securing an acquisition or acquisitions which will constitute a reverse takeover, which they believe will result in the availability of adequate additional funding. The Directors are expecting approximately £400k in fundraising in connection with a reduction on operating expenditures to allow for sufficient headroom over the next 12 months to conclude a transaction upon which it expects to raise further proceeds of at least £2M.

The Directors have concluded that to the extent that these assumptions are not valid, there exists a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

The Directors therefore consider the assumptions as valid and consequently continue to adopt the going concern basis in preparing the financial statements.

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Disclosure of information to auditors

As far as each Director is aware, there is no relevant audit information of which the Company's Auditors are unaware. In addition, 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 Company's Auditors are aware of that information.

Approved by the Board of Directors on 4 April 2023 and signed on its behalf by

F Jackson Director

Guardian Global Security plc, Registered number 0637079

Directors' responsibilities statement

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

The directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (as adopted by the United Kingdom). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period for which they are being prepared.

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

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

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

These financial statements were approved by the Board on 4 April 2023, and signed on its behalf by:

Frank Jackson
Director

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF GUARDIAN GLOBAL SECURITY PLC

Opinion

We have audited the financial statements of Guardian Global Security plc for the 18 months ended 31 December 2021, which comprise:

- the income statement for the 18 months ended 31 December 2021;
- the statement of comprehensive income for the 18 months ended 31 December 2021;
- the statement of financial position as at 31 December 2021;
- the statement of changes in equity for the 18 months ended 31 December 2021;
- the statement of cash flow for the 18 months ended 31 December 2021; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of the company's loss for the 18 month period then ended;
- have been properly prepared in accordance with International Accounting Standards as adopted by the United Kingdom, and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to the Section titled "Going Concern" in Note 2 in the financial statements, which indicates that further funds will be required to allow the Company to continue as a going concern. The Directors expect this funding to become available following the completion of an acquisition constituting a reverse takeover. As stated on Note 2, these events or conditions indicate that a material uncertainty exists and may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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 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 matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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 auditor's report.

Use of the audit report

This report is made solely to the company's directors, 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 directors those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Jayson
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
3rd Floor, The Lexicon
Mount Street
Manchester
M2 5NT

4 April 2023

INCOME STATEMENT

£ '000	Note	Audited 18 months ended 31 Dec 21	(Restated) Audited 12 months ended 30 Jun 20
Revenue		-	-
Cost of sales		-	-
Gross Profit		-	-
Administrative expenses		(748)	(739)
Other income		23	7
Loss from operations		(725)	(732)
Finance costs	8	(386)	(306)
Loss for before tax		(1,111)	(1,038)
Discontinued operations		-	-
Gain on disposal of subsidiaries, joint-ventures and related party initiatives		-	333
Taxation	9	-	-
Profit / (Loss) after tax		(1,111)	(705)
Gain attributable to discontinued operations		-	333
Loss attributable to continuing operations		(1,111)	(1,038)
Loss for the period		(1,111)	(705)

STATEMENT OF COMPREHENSIVE INCOME

£ '000	Note	Audited 18 months ended 31 Dec 21	(Restated) Audited 12 months ended 30 Jun 20
Loss for the period		(1,111)	(705)
Other comprehensive expense:			
Currency translation differences		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive expense for the period		(1,111)	(705)

STATEMENT OF FINANCIAL POSITION

£ '000	Note	Audited as at 31 Dec 21	(Restated) Audited as at 30 June 20
Non-current assets			
Property, plant & equipment	10	-	3
		-	3
Current assets			
Trade and other receivables	11	86	122
Cash and cash equivalents		28	230
		114	352
Total assets		114	355
Current liabilities			
Loans	16	(190)	(200)
Trade and other payables	12	(932)	(655)
		(1,122)	(855)
Non-current liabilities			
C4 Loan	16	(1,352)	(966)
Total liabilities		(2,474)	(1,821)
Net liabilities		(2,362)	(1,466)
Shareholders' equity			
Ordinary share capital	14	194	193
Share premium account		32,535	32,321
Warrant reserve		415	415
Other reserves		3,016	3,016
C4 Loan reserve		1,682	1,682
Accumulated losses		(40,204)	(39,093)
Total equity		(2,362)	(1,466)

Registration Number: 06370792

The financial statements together with the notes to the financial statements were approved by the Board of directors and authorised for issue on 4 April 2023. They were signed on its behalf by:

Frank Jackson
Director

STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary Share Capital	Share Premium Account	Merger Relief Reserve	C4 Loan reserve	Warrant and Other Reserves	Accumulated Losses	Total Equity
Balance, 30th June 2019	**3,207**	**31,359**	**9,364**	**-**	**(2,083)**	**(45,266)**	**(3,419)**
Loss for the period	-	-	-	-	-	(705)	(705)
Currency translation differences	-	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	(705)	(705)
Effect of share subdivision	(3,016)	-	-	-	3,016	-	-
Equity fundraise and refinancing	2	973	-	1,682	-	-	2,657
Effect of warrants	-	(11)	-	-	2,498	(2,486)	-
Release of merger relief reserve	-	-	(9,364)	-	-	9,364	-
Transactions with owners	(3,014)	962	(9,364)	1,682	5,514	6,878	1,952
Balance, 30th June 2020	**193**	**32,321**	**-**	**1,682**	**3,431**	**(39,093)**	**(1,466)**
Loss for the period	-	-	-	-	-	(1,111)	(1,111)
Currency translation differences	-	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	(1,111)	(1,111)
Equity fundraise	1	214	-	-	-	-	215
Transactions with owners	1	214	-	-	-	-	215
Balance, 31st December 2021	**194**	**32,535**	**-**	**1,682**	**3,431**	**(40,204)**	**(2,362)**

At 31 December 2021, the balance for warrants and other reserves comprises: a warrant reserve of £415,000, reflecting the total cost of warrants issued pre and post IPO; and a deferred shares reserve of £3,016,000 which arose following the share sub-division in November 2019.

STATEMENT OF CASH FLOW

£ '000	Note	Audited 18 months ended 31 Dec 21	Audited 12 months ended 30 Jun 20
Cash flows from operating activities			
Cash used in operations	13	(378)	(728)
Net cash used in operating activities		(378)	(728)
Cash flows from financing activities			
Share capital issued for cash		215	920
Financing costs		-	
Loan repayments		-	(20)
Net cash from financing activities		215	900
Net increase / (decrease) in cash and cash equivalents		(163)	172
Cash and cash equivalents at the start of the period		191	58
Cash and cash equivalents at the end of the period		**28**	**230**

NOTES TO THE FINANCIAL STATEMENTS

1. General

Corporate Information

Guardian Global Security plc (the 'Company') is a company incorporated in England on 13 September 2007 and has registered address of 85 Great Portland Street, London, W1W 7LT and registration number 06370792. The Company is domiciled in the UK for tax purposes.

With effect from 21 January 2022, the name of the Company was changed from Nu-Oil and Gas plc to Guardian Global Security plc.

Basis of Preparation

The financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards as adopted by the UK the Companies Act 2006 that applies to companies reporting under IFRS, and IFRS-IC interpretations. In addition, they have been prepared under the historical cost convention. The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Subsidiaries were all entities (including structured entities) over which the Group had control. The Group controlled an entity when the Group had the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. Subsidiaries were fully consolidated from the date on which control was transferred to the Group. They were deconsolidated from the date that control ceased.

During the 18 months to 31 December 2021, the only subsidiary was dormant, and had been dissolved by the period end. The financial statements presented here are therefore in relation to the Company only.

2. Significant Accounting Policies

The principal accounting policies have been applied consistently throughout the period.

Going Concern

The Directors judge it appropriate to adopt the going concern basis in preparing the financial statements.

In forming this judgement, the Directors reviewed the Company's funding, budget and business plan for the twelve months from signing the financial statements. The Directors have relied upon the critical assumption that the Company will be able to achieve the key milestones of the business plan, notably with regard to securing an acquisition or acquisitions which will constitute a reverse takeover, which they believe will result in the availability of adequate additional funding. The Directors are expecting approximately £400k in fundraising in connection with a reduction on operating expenditures to allow for sufficient headroom over the next 12 months to conclude a transaction upon which it expects to raise further proceeds of at least £2M.

The Directors have concluded that to the extent that these assumptions are not valid, there exists a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

The Directors therefore consider the assumptions as valid and consequently continue to adopt the going concern basis in preparing the financial statements.

Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants received in the period were for the Coronavirus Job retention scheme and are included in other income. There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly from any other forms of government assistance. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Financial instruments

Financial assets

All of the Company's financial assets are held within a business model whose objective is to collect contractual cash flows which are solely payments of principals and interest and therefore classified as subsequently measured at amortised cost. The Company's financial assets include cash and cash equivalents and trade and other receivables. The Company assesses, on a forward-looking basis, any expected credit loss, defined as the difference between the contractual cash flows and the cash flows that are expected to be received.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions, in accordance with IAS 32:

- They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- Where the instrument will or may be settled in the Company's own equity instruments, it is either a nonderivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments. To the extent that this definition is not met, the financial instrument is classified as a financial liability.

As such, financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest of the assets of the Company after deducting all of its liabilities.

Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

IFRS 16 was adopted 1 June 2019 without restatement of comparative figures.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;

- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.
  Lease liabilities are subsequently measured at the present value of the contractual payments due to the lessor over the lease term.

Borrowings

Borrowings are recognised initially at the fair value of the proceeds received which is determined using a discount rate which reflects the cost of borrowing to the Company. In subsequent periods borrowings are recognised at amortised costs, using an effective interest rate method. Any difference between the fair value of the proceeds costs and the redemption amount is recognised as a finance cost over the period of the borrowings.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholder's equity, net of income tax effects.

Trade and other payables

Trade payables are non-interest bearing and are stated initially at fair value and then amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Employee Benefit Trust

The Company has closed the Employee Benefit Trust as it had expired by 30 June 2020. Prior to its closure, the assets and liabilities of the Employee Benefit Trust were brought onto the Statement of Financial Position of the Company. Shares held by the trust were consolidated as a deduction from equity.

Performance Share Plan costs

The fair value of awards granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date, using an appropriate pricing model taking into account the terms and conditions upon which the award was granted, and is spread over the period during which the awards vest. The amount recognised as an expense is adjusted to reflect the actual number of share awards that vest in the same period. At each reporting date, the Company revises its estimates of the number of options that are expected to vest. The Company recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Foreign currency translation

The Company's presentation and functional currency is sterling.

In preparing the financial statements, transactions in foreign currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange rate differences arising on the settlement of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange rate differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Income taxes

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Share capital

Issued share capital is recorded in the Statement of Financial Position at nominal value with any premium at the date of issue being credited to the share premium account.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a warrants and other reserve as a component of equity until related options or warrants are exercised or lapse.

The warrant and other reserve includes share warrants issued to shareholders in connection with share capital issues that are measured at fair value at the date of issue and treated as a separate component of equity.

The C4 Loan reserve includes the transfer and refinancing of the loan amount with C4.

The merger relief reserve is recognised when the equity interests of the acquiree are acquired during the completion of a deemed reverse takeover.

Retained earnings includes all current and prior period results as disclosed in the income statement.

Share-based transactions

From time to time, the Company may pay for goods or services through the issue of new shares. The cost of such equity-settled transactions is recognised in the income statement, together with a corresponding increase in equity, in the period during which the goods or services are received. The value of such share based payments is measured by reference to the fair value of the goods or services received or the market value of the shares issued, whichever value is more readily determinable.

Warrants

From time to time, the Company may issue warrants to suppliers as partial payment for goods or services or to investors or advisers in relation to the raising of new equity finance. When warrants are issued as partial payment for goods or services related to operations, the fair value of those warrants is recognised as a cost in the income statement. When warrants are issued in relation to the raising of new equity finance, the fair value of those warrants is set off against share premium. Warrants issued but not exercised are held in a warrant reserve within equity.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the Directors when there has been an indication of potential impairment.

Critical accounting judgements and estimates in applying the Company's accounting policies

The preparation of the financial statements in conformity with IFRS requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. In the process of applying the Company's accounting policies, management have made the following estimates that may have a significant effect on the amounts recognised in the financial statements.

Going Concern: The financial statements have been prepared assuming the Company will continue as a going concern. The basis to which the Directors have formed this critical accounting judgement is further outlined in note 1 of the Company's financial statements which discloses a material uncertainty.

Determination of Discount Rates: Where settlement of the liability component of a compound financial instrument is deferred, the amounts payable in the future are discounted to their present value as at the date of initial recognition. The discount rate used is generally judged to be the entity's incremental borrowing rate, being the rate at which a similar borrowing might be obtained from an independent financier under comparable terms and conditions; in other words, a similar liability (including any embedded nonequity derivative features) that does not have an associated equity component.

Restatement of financial statements

In November 2019, the Company issued 91,666,667 shares for a non-cash consideration of £55,000 provided as settlement to the Company's former owners. The £55,000 of equity, comprising £92 of share capital and £54,908 of share premium was incorrectly written off as part of the gain from discontinued operations in the last filed set of financial statements. This has been corrected in these financial statements and comparatives restated. The impact of the restatement has been to decrease the gain in the income statement and increase share premium by £54,908.

3. Grant income

The Company has availed of government initiatives designed to support businesses impacted by Covid-19. Regarding the job retention scheme support initiatives, the Company has recognised £13,250 in respect of grant income for employees furloughed during the period.

4. Staff Costs

£ '000	18 months ended 31 Dec 21	12 months ended 30 June 20
Wages and salaries	405	299
Pension	(4)	7
Social security costs, net of allowances	4	20
Total Staff Costs	**405**	**326**

During the period, amounts accrued as staff pension contributions totalling £4,189 where written back, resulting in a credit to the results for the period.

Number	18 months ended 31 Dec 21	12 months ended 30 June 20
Executives/ Directors	3	4
Administration	1	1
Total	**4**	**5**

5. Directors Emoluments

£ '000	18 months ended 31 Dec 21	12 months ended 30 June 20
J Bhattacherjee	136	89
A Dennan	125	82
F Jackson	115	37
Total Directors Emoluments	**376**	**208**

Pension contributions accrued during the 18 months ended 31 December 2021 to Directors was £nil (Year ended to 30 June 2020 £nil).

There were no other related party transactions in the 18 months to 31 December 2021 or the year ended to 30 June 2020.

6. Operating Loss

Operating loss is after charging:

£ '000	18 months ended 31 Dec 21	12 months ended 30 June 20
Depreciation, amortisation and impairment	3	2

Directors fees	376	208

During the period, the Company obtained various services from its auditors, the costs of which are set out below:

£ '000	18 months ended 31 Dec 21	12 months ended 30 June 20
Audit fees	20	19
Other services	-	-
Tax compliance	-	4
	20	23

7. Discontinued Operations

On 21 October 2019, the Company announced the returning of the interest held in Enegi Oil Inc.('Enegi') to Enegi with immediate effect. The returning of equity to Enegi was done as per the applicable laws in Newfoundland, Canada. As a result of that action, Nu-Oil and Gas held no further claim or call on Enegi.

On 4 November 2019, shareholders approved the resolutions put to a General Meeting which included the divestment of MFDevCo as a part of the wider and essential restructuring initiatives announced in early October 2019. The consequence of this was the Company's formal designation as an AIM Rule 15 Cash Shell, which was announced by the Company on 4 November 2019.

The Company's interest in Enegi Finance Ltd. a dormant company originally established for finance and structuring purposes to support the development of the Company's interests in the Canadian oil and gas assets commenced the process of being wound-up. It was officially struck off the register of companies in October 2020.

The reversal of balances held in the company accounts gave rise to non-cash net gain in the year of £333,000 in relation to the disposal of subsidiaries, joint-venture and related party initiatives. The performance results of discontinued operations are presented below:

£ '000	18 months ended 31 Dec 21	12 months ended 30 Jun 20
Revenue	-	-
Operating expenses	-	-
Administrative expenses	-	(238)
Impairment of intangible assets	-	(332)
Loss from operating activities	-	(570)
Finance expense	-	-
Loss before tax	-	(570)
Tax	-	-
Loss for the period	-	(570)

The operations in western Newfoundland were conducted by Enegi Oil Inc. No operational financial activity was reported during the period 1 July 2019 and 21 October 2019. For the financial year ended 2019, Enegi Oil Inc reported a loss of £570,000. No interest revenue or expense was generated or incurred. Given the trading losses, no income tax expense has been incurred.

8. Finance Costs

£ '000	18 months ended 31 Dec 21	12 months ended 30 June 20
Interest expense	386	306

In October 2019, Shard Capital Management Limited ('Shard') sold its interest in the Shard Loan to C4 Energy Limited ('C4'). Following the novation of the loan, the Company agreed refinancing terms with C4 and entered into a convertible loan note instrument resulting in the issuance of loan notes with a par value of £2,500,000. The notes are convertible into ordinary shares at a fixed price of 0.05p per share at the option of the lender, are freely transferable and have a maturity date in October 2024. The notes are unsecured and carry a nil interest coupon.

9. Taxation

£ '000	18 months ended 31 Dec 21	12 months ended 30 Jun 20
Statutory income tax rate	19%	19%
Loss for the period	(1,111)	(705)
Expected income tax recovery	(211)	(134)
Transferred to losses	211	134
Total tax	-	-

The deferred income tax asset not recognised at 31 December 2021 and 30 June 2020 are £11,259,000 £and £11,048,000 respectively.

10. Property Plant and Equipment

£ '000	Fixtures, fittings and equipment	O&G properties	Tangible capitalised dev costs	ARO	Total
Cost					
30 June 2019	429	3,929	14,395	832	19,585
Net Additions / disposals	-	-	-	-	-
Currency exchange movement	-	(42)	(154)	(9)	(205)
Discontinued operations	(426)	(3,887)	(14,241)	(823)	(19,377)
30 June 2020	3	-	-	-	3
Net Additions / disposals	-	-	-	-	-
31 December 2021	3	-	-	-	3
Charge / impairment					
30 June 2019	(424)	(3,929)	(14,395)	(829)	(19,577)
Change and impairments	(5)	-	-	-	(5)
Currency exchange movement	-	42	154	9	205
Discontinued operations	426	3,887	14,241	820	19,377
30 June 2020	-	-	-	-	-
31 December 2021	(3)	-	-	-	(3)
Carrying Value					
30 June 2020	3	-	-	-	3
31 December 2021	-	-	-	-	-

11. Trade and Other Receivables

£ '000	Audited as at 31 Dec 21	Audited as at 30 June 20
VAT recoverable	78	81
Prepayments and other receivables	8	41
	86	122

12. Trade and Other Payables

£ '000	Audited as at 31 Dec 21	Audited as at 30 June 20
Trade payables	254	473

Accruals	674	157
Taxation and social security	-	6
Other payables	-	-
Pensions	4	19
	932	655

On 6th July 2021, Dr Nigel Burton to whom the company owed £26,000, agreed conditional on and with effect from admission of the entire issued share capital of the company to the official List of the London Stock exchange main market, the Company shall repay the amount of the Debt to the Dr Nigel Burton and he agreed that such Debt will be immediately cancelled and the proceeds of the repayment of the Debt shall be applied towards paying up the Subscription Shares in full at the Issue Price.

On 14th July 2021, Delphi Limited, a creditor of the company agreed to convert £56,777 of a total debt of £63,320 into shares of the company, writing off the balance of £6,543, with effect from the admission of the entire issued share capital of the company to the official List of the London Stock exchange main market.

13. Cash Used in Operations

£ '000	18 months ended 31 Dec 21	12 months ended 30 June 20
Loss before income tax – continuing operations	(1,111)	(1,038)
Gain before income tax discontinued operations	-	333
Loss before tax	(1,111)	(705)
Discontinued operations	-	(333)
Increase/(decrease) in trade and other payables	246	122
Depreciation, amortisation and impairment	3	2
Decrease/(increase) in receivables	36	(120)
Non-cash transaction – effective interest charge	386	306
Cash flows used in operating activities	**(378)**	**(728)**

14. Ordinary Share Capital and Share Premium Account

In October 2015, the Company undertook a reorganisation of its share capital. Under the Companies Act 2006 a company is unable to issue shares at a subscription price which is lower than the nominal value. Therefore, in order to raise additional funding a reorganisation of the Company's share capital was performed.

The reorganisation subdivided existing shares into new ordinary shares with a nominal value of £0.001 and deferred shares with a nominal value of £0.009. The deferred shares, amongst other things, are not traded, do not receive dividends and do not have voting rights. The issue of new ordinary shares will not require the issuance of deferred shares to new subscribers. At the time of the reorganisation 189,792,348 shares were in circulation.

During the year ended 30 June 2020, the Company again undertook a reorganisation of its share capital for similar reasons to those noted above. The reorganisation subdivided shares into new ordinary shares with a nominal value of £0.000001 and deferred shares with a nominal value of £0.000999. The deferred shares, amongst other things, are not traded, do not receive dividends and do not have voting rights. The issue of new ordinary shares will not require the issuance of deferred shares to new subscribers. Following the reorganisation, the placing and the issue of the settlement shares approved by shareholders on 04 November 2019, 2,590,393,217 shares were in circulation.

During the year, the Company undertook a further 1 for 40 share consolidation, which saw existing shareholders receive 1 new ordinary share for each 40 held, with the old shares having been cancelled on finalisation of the transaction. The share consolidation in the year has had no impact on the share capital or share premium reserves of the Company.

On 11 March 2021, the Company issued 1,075,000,000 new shares, for a total consideration of £215,000, along with 1,075,000,000 warrants to subscribe for new ordinary shares at 0.025 pence per share, exercisable on the re-listing of the Company shares on the London Stock Exchange. As the Company was not relisted in the vesting period, the warrants lapsed following the reporting date and the Fair Value of the warrants has been determined to be nil.

	Number of shares 000's	Ordinary Share Capital £
Issued ordinary shares of 0.0001p each	4,465,393	4,465
Issued deferred shares of 0.0999p each	180,792	189,603

The weighted average number of ordinary shares in issue during the period was 3,969,616,961 (June 2020: 2,596,306,459)

As at 31 December 2021, the following warrants relating to the Company's ordinary share capital had been issued.

	Ord. Shares	Exercise Price GBP £	Expiry
Warrants: Company's Nomad	9,416,885	0.0063	6 November 2021
Warrants: Company's Broker	13,043,478	0.01150	28 March 2021
Warrants: Company's Broker	8,333,333	0.00030	3 April 2024
Warrants: Company's former Broker	10,000,000	0.01100	26 July 2022
Warrants: Various	110,000,000	0.000625	19 January 2024
Warrants: Various	1,075,000,000	0.00025	11 March 2023

15. Share-based payments

The Company operated an equity-settled share-based payment arrangement in the year, whereby share options have been granted to qualifying employees, and to certain members of senior management who are self-employed.

The Company recognised an expense relating to equity-settled share-based payment transactions of £nil during the period to 31 December 2021 (30 June 2020: £nil).

Details of movements in share options during the current and prior periods are as follows:

	Audited as at 31-Dec 21		Audited as at 30 June 20	
	Number of share options thousand	**Weighted average exercise price pence**	Number of share options thousand	Weighted average exercise price pence
Outstanding at start of period	**192,000,000**	**0.0961**	20,500,000	0.8427
Granted during the period	-	-	180,000,000	0.0625
Lapsed during the period	-	-	(8,500,000)	1.1853
Exercised during the period	-	-	-	-
Outstanding at period end	**192,000,000**	**0.0961**	192,000,000	0.0961
Exercisable at period end	**192,000,000**	**0.0961**	192,000,000	0.0961

The table below shows details in relation to options outstanding at the period end:

		31 Dec 2021		30 June 2020	
Performance share plan	Average exercise price pence	**Number of share options thousand**	**Contractual life remaining years**	Number of share options thousand	Contractual life remaining years
27 Feb 2017	0.6000	**12,000,000**	**0.16**	12,000,000	1.66
11 Apr 2018	1.2540	-	-	-	-
5 Mar 2019	0.6700	-	-	-	-
4 Nov 2019	0.0625	**180,000,000**	**2.84**	180,000,000	4.35

There were no performance share plan options granted during the period 31 December 2021 (30 June 2020: 180,000,000).

16. Net debt

£ '000	YA Global	Shard Loan	C4 Loan	Total
Balance 30 Jun 19	(181)	(2,381)	-	(2,562)
Movement in accrued interest	(39)	(119)	(148)	(306)
Refinancing	-	2,500	(2,500)	-
Transfer to equity loan reserve	-	-	1,682	1,682
Cash flows – repayments	20	-	-	20
Balance 30 Jun 20	(200)	-	(966)	(1,166)
Loan write-off	10	-	-	10
Effective interest charge	-	-	(386)	(386)
Balance 31 Dec 21	**(190)**	**-**	**(1,352)**	**(1,542)**

In October 2019, Shard Capital Management Limited ('Shard') sold its interest in the Shard Loan to C4 Energy Limited ('C4'). Following the novation of the loan, the Company agreed refinancing terms with C4 and entered *into a convertible loan note instrument resulting in the issuance of loan notes with a par value of £2,500,000.* The notes are convertible into ordinary shares at a fixed price of 0.05p per share at the option of the lender, are freely transferable and repayable in full at the maturity date in October 2024. The notes are unsecured and carry a nil interest coupon.

In accordance with IAS 32, judgement is requirement when determining the classification of financial instruments in terms of liability or equity. These judgements include an assessment of whether the financial instrument includes any embedded derivative features, whether it includes contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party, and whether that obligation will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Under the terms of accounting standard IAS 32, the C4 loan note instrument is assessed to be a non-derivative compound financial instrument and as such the Company is required to recognise separately the components of the financial instrument that (a) creates a financial liability and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity. In establishing the value of these components, an effective interest rate must be used. The value of the liability component is determined by discounting the par value at the effective interest rate upon initial recognition. The discount rate used for this purpose has been assessed to be 25%. By reference, the cost of capital of the Shard loan was used as a start point in forming this judgement; a sensitivity of +/- 5% in the interest rate would result in a decrease/increase in the value of the liability component as at the reporting date of £146,000/£185,000 and an increase in the finance expense of £3,000/£2,000. The discount is then unwound over the remaining life of the loan. The value attributable to equity component represents the residual interest in the instrument upon initial recognition. Consequently, at the point of initial recognition, the sum of the carrying amounts assigned to the liability and equity components is always equal to the value of the instrument as a whole, namely £2,500,000.

The Company remains contractually obligated to settle the full £2,500,000 which remains outstanding until it is extinguished through conversion, maturity of the instrument, or some other transaction.

The Company also has a loan with YA Global. In March 2020, the Company reached a settlement agreement with YA Global regarding amounts owing to them upon satisfactory completion of a transaction constituting a reverse takeover. YA Global has indicated it may accept settlement via newly issued ordinary shares.

17. Financial Instruments

The Company's principal financial instruments comprise cash, trade and other receivables, trade and other payables and accruals and loan amounts owed, which are set out in the Statement of Financial Position. The carrying values of the Company's financial instruments approximate their fair values due to the short-term maturity and normal trade credit terms of these instruments.

Financial instruments issued by the Company are treated as equity only to the extent they meet the relevant conditions in accordance with IAS 32. Specifically, the Company's loan with C4 is the only such instrument issued by the Company, refer Note 12. Credit risk and expected credit losses on receivables is considered negligible.

Credit risk on liquid funds is considered limited because the Company counterparty exposure is to a UK and international bank with an investment grade credit rating. Credit risk and expected credit losses on receivables is considered negligible. Liquidity risk implies maintaining sufficient funds to meet the Company's liabilities when they fall due. The Board has been disciplined in managing the Company's cash and commitment positions actively engaging with creditors and advisors to ensure committed credit lines are agreed and reasonable and through its regular review of the Company's cash forecast. The liquidity risk associated with the C4 loan is considered negligible.

18. Related party transactions

Directors emoluments are disclosed in note 5 to these financial statements.

During the period, C4, a company in which Mr Andrew Denham is a director and interested party, purchased the convertible debt issued by the Company from Shard Capital Management Limited. See note 16 for further details.

19. Events subsequent to period end

During 2022 your Board attempted to conclude a transaction which would have resulted in the company acquiring a company operating in marine security, which we believe would have formed the foundation of a viable and potentially prosperous business. Unfortunately, the downturn in the market occasioned immediately after and as a consequence of the Russian invasion of Ukraine which caused such a delay to formal approval of the agreement that the entire proposal failed. The cost of this was such as to leave the company in a vulnerable state and unable to pursue any further proposal without further external support.

Your Board is now pleased to report that a group of shareholders have come forward to support the company through the present audit of these accounts, putting the company in a position not only to complete the audit and submission of the accounts, but also to undertake all the processes required to regulate the affairs of the company. With this, your company is able to enter into substantial negotiations with the owners of certain hydrocarbon assets, the acquisition of which will provide a solid foundation for the further and future development of the company.

It is the Boards expectation that negotiations will be concluded swiftly resulting the company establishing an ongoing and viable business in hydrocarbon production in the short term.

It will be necessary to issue further shares in the company to achieve this. Resolutions will be put to a general meeting to enable this to be done. At that time, a full announcement will be made disclosing full detail of the prosed transaction.