



eaznz

plc

Formerly Verditek Plc

**Annual Report
and Audited
Financial
Statements**

Year ended
31st December
2024

Contents

EXECUTIVE CHAIR'S REVIEW	1
STRATEGIC REPORT	2
FINANCIAL REVIEW	4
RISK REPORT	8
GOVERNANCE	10
BOARD OF DIRECTORS	10
CORPORATE GOVERNANCE REPORT	13
AUDIT COMMITTEE REPORT	22
DIRECTORS' REMUNERATION REPORT	23
CORPORATE AND SOCIAL RESPONSIBILITY	25
DIRECTORS' REPORT	26
INDEPENDENT AUDITORS' REPORT	30
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	38
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS	39
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	40
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	41
CONSOLIDATED CASH FLOW STATEMENT	42
NOTES TO THE FINANCIAL STATEMENT	43
COMPANY STATEMENT OF FINANCIAL POSITION	92
COMPANY STATEMENT OF CHANGES IN EQUITY	93
COMPANY NOTES TO THE FINANCIAL STATEMENTS	94

Executive chair's review



I am pleased to report a successful period at the start of our journey to build a significant group in the energy services sector focusing on the decarbonisation of public and private sector building fabric. The UK Government continues to provide investment in the Net Zero transition and UK clean energy industries.

The results herein include two months of the legacy Verditek business; a clean cash shell for a six-month period during which we negotiated the acquisitions of two businesses in order to enact our strategy, followed then by four months of trading of the acquired businesses.

Therefore I feel that these results do not truly reflect our future aspirations and opportunities.

I was most conscious of putting in place a Board of Directors which had the correct mix of skills to ensure that we build on a solid foundation. I am pleased to welcome Peter Smith as CEO following completion of our recent acquisition of A&D Carbon Solutions LTD ("A&D"). At the same time, I will become Non-Executive Chair and John Charlton will resign as a director of the Company but remain as Company Secretary.

I am delighted with the progress to date in what has been an extremely difficult period for all companies listed on the Alternative Investment Market of the London Stock Exchange. Raising capital and liquidity are at record low levels in the 30 years since that market was created.

Despite those stock market conditions the Group is performing well with all businesses trading ahead of target.

We have an active list of potential acquisition targets across the decarbonisation agenda. Due to the difficulties of the capital restrictions to date, our acquisition strategy has been highly selective as we work within our financial constraints. As we have established a profitable platform for growth, the Board is looking at more significant opportunities for acquired growth which will enhance service offerings and provide a more stable base.

I would like to congratulate all employees and partners in the Group and look forward to bringing news of further growth in earnings in the coming months.

Bob Holt OBE,
Executive Chair

26 June 2025

Strategic report

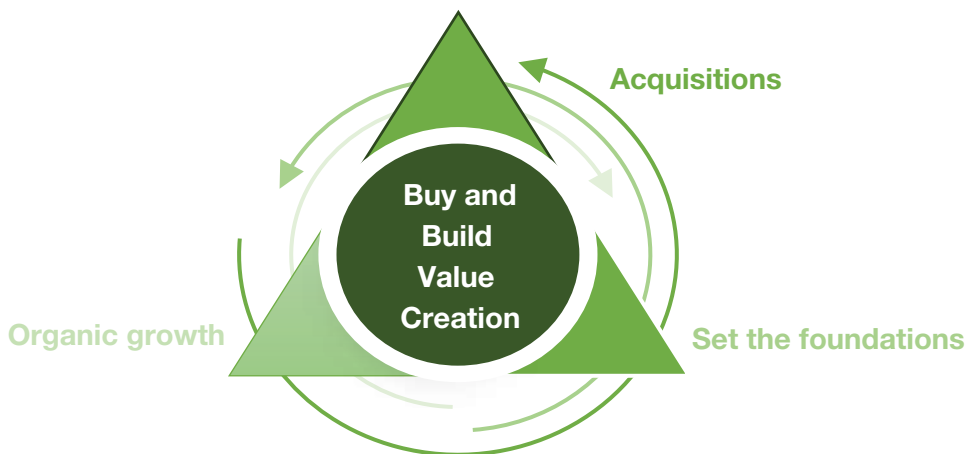
The Directors present their strategic report on the Group for the year ended 31 December 2024.

EARNZ plc disposed of its interests in its Solar Business on 29 February 2024. The Company’s principal business is targeting acquisitions in the energy services sector. Going forward the Company will build a leading business in the energy services sector focusing on decarbonisation of public and private sector building fabric, leveraging UK Government investment in Net Zero transition and UK clean energy industries.

The sector is hugely fragmented, providing significant growth opportunities, by acquisition and organically.



The Group’s buy and build strategy is designed to create shareholder value through bringing together businesses in the energy services sector, providing consolidation in a fragmented sector, and extensive industry experience gained over many years. This creates improved service experience for customers and a virtuous circle of value creation. The foundations have been set through the addition of three businesses to the Group and the opportunity for organic growth and further acquisitions set.



For a review of the business during the year, please refer to the Chair’s Review on page 1 of this report. For an analysis of financial performance indicators, please refer to the Financial Review set out on page 4.

Principal risks and uncertainties facing the business

A full review of principal risks and uncertainties facing the business during the year and going forward is given on pages 8 to 9 of this report.

S172 Statement

As required by Section 172 of the Companies Act, a director of a company must act in the way he or she considers, in good faith, would likely promote the success of the company for the benefit of the shareholders. In doing so, the director must have regard, amongst other matters, to the following issues:

- the likely consequences of any decisions in the long term (see Corporate Governance Report, pages 13 to 21);
- the interests of the company's employees (see Corporate Social Responsibility report on page 25)
- the need to foster the company's business relationships with suppliers/customers and others (see Corporate Governance Report, pages 13 to 21);
- the impact of the company's operations on the community and environment (see Corporate Social Responsibility report on page 25);
- the company's reputation for high standards of business conduct (see Corporate Governance Report, pages 13 to 21); and
- the need to act fairly between members of the company (see Corporate Governance Report, pages 13 to 21).

On behalf of the Board

John Charlton

Executive Director

26 June 2025

Financial review

The continuing activities of EARNZ plc started when the Company disposed of the Solar Business and became an AIM Rule 15 cash shell on 1 March 2024, having ceased to own, control or conduct all, or substantially all of its existing trading business, activities or assets.

The disposal of the legacy solar business and all related business assets of Verditek Plc (the "Solar Business") was approved on 28 February 2024 in return for the satisfaction of the outstanding bonds and accrued interest. The Solar Business was disposed of on 29 February 2024 and completed on 1 March 2024. The disposal was required in order to satisfy the outstanding creditor obligations of Verditek Plc, and avoid having to put the Company into administration.

Under the AIM Rules the Company was required to make an acquisition or acquisitions which constitute a reverse takeover within 6 months to avoid the suspension of trading in the Company's shares on AIM.

The Company raised £0.3m gross on 5 March 2024 at 0.075 pence per share to provide initial funding for EARNZ plc. Following a share consolidation on 4 April 2024 whereby 100 existing shares

were exchanged for 1 new share, changing the nominal value of the Company's ordinary shares to 4 pence per share, a further £3.7m gross was raised through a placing of new shares on 8 April 2024 at 7.5 pence per share to embark on the Group's buy and build strategy. To enable the acquisition of two businesses, South West Heating Services Limited ("SWH") on 28 August 2024 and Cosgrove & Drew Limited ("C&D") on 29 August 2024 a further fund raise of £2.05m gross was completed on 29 August 2024 through the placing of new shares at 7.5 pence per share.

On 12 June 2025, the Company announced that it had entered into an agreement with the shareholders of A&D to acquire the entire issued share capital for a maximum consideration of £2.8m. On the same day the Company raised £1.02m through a share placing, to fund the acquisition and provide additional working capital for the Group. The sale is expected to complete on 30 June 2025 subject to obtaining shareholder approval to authorise the directors to issue the consideration shares.

Further details are set out in the post balance sheet event section of the Directors' report.

For the period between 1 March 2024 and 29 August 2024, the business remained a cash shell, generating no income and incurring costs of a listed plc and professional fees incurred in completing the acquisitions C&D and SWH. From 1 September 2024, the results of C&D and SWH have been incorporated into the Group's results.

Income statement

Revenue

In the year ended 31 December 2024, the Group's loss after taxation was £2,819k (2023: £2,089k), the loss after taxation from continuing operations was £2,684k (2023: £1,344k).

In the four months from 1 September 2024 to 31 December 2024, Group revenue from continuing operations was £2,637k. Of this revenue from C&D for the four months from 1 September 2024 to 31 December 2024 was £2,169k. C&D focuses on the provision of mechanical and engineering services across the commercial and industrial sectors. Revenue from SWH for the four months from 1 September 2024 to 31 December 2024 was £468k. SWH focuses on the provision of domestic maintenance services and heating installations.

Profits

£'000	31 December 2024	31 December 2023
Gross Profit	348	–
Administration expenses – continuing	(1,532)	(743)
Acquisition costs	(1,622)	–
Operating Loss	(2,806)	(743)
Net finance	(74)	(44)
Other income/(losses)	1	(557)
Loss before tax	(2,879)	(1,344)
<i>Gross profit margin</i>	13.2%	–

Gross profit in the four months from 1 September 2024 to 31 December 2024 was £348k, which was lower than expected due to unexpected costs in C&D. The margin achieved in C&D was 9% as a result of these significant unexpected costs. Since its acquisition a significant amount of work has been undertaken to rebase the cost base, and the ongoing business is currently achieving margins at the expected rate of c.25-30% in 2025. The margin achieved in SWH was 32% in line with expectations.

The administrative expenses incurred for the year ended 31 December 2024 were £1,532k (2023: £743k). The majority of the costs incurred being £940k relating to Group overheads from 1 March

2024 to 31 December 2024. The monthly run rate for Group overheads is c.£100k, which covers staff costs, and the costs associated with being quoted on AIM. The remaining administrative fees sit within the subsidiaries, C&D and SWH, approximately half of which relate to employee-related overheads.

The acquisition costs include fees associated with the reverse takeover of C&D and SWH (“RTO”) of £1,460k and aborted fees of £162k from another transaction that did not complete.

Taxation

Loss after tax from continuing operations was £2,684k (2023: £1,344k)

Loss per share

The basic and diluted loss per share was 0.046p (2023: 0.44p).

Adjusted Profits

The Group uses a number of Alternative Performance Measures (“APMs”) in addition to those measures reported in accordance with IFRS. Such APMs are not defined terms under IFRS and are not intended to be a substitute for any IFRS measure. The Directors believe that APMs are important when assessing the underlying financial and operating performance of the Group.

The exceptional items identified as non-recurring in nature are set out below and were considered in calculating the adjusted profits.

Adjusted EBITDA from continuing operations £'000	Year ended 31 December 2024
Operating Loss	(2,806)
Depreciation & amortization	73
Share based payment	23
Exceptional items:	
Acquisition costs	1,622
Non-recurring audit fee	68
Total exceptional items added back	1,690
Adjusted EBITDA	(1,020)

Financial review continued

Financial Position

£'000	Year ended 31 December 2024	Year ended 31 December 2023
Goodwill	3,577	–
Intangible assets	1,003	
Property, plant & equipment	310	98
Right of use assets	220	306
Deferred tax asset	130	–
Non-current assets	5,240	404
Current assets excluding cash	1,733	589
Liabilities excluding borrowings	(3,591)	(622)
Cash and cash equivalents	1,965	54
Borrowings	(1,371)	(523)
Net cash/(debt)	594	(469)
Net assets/(liabilities)	3,976	(98)

As at 31 December 2024, the Group's net assets were £3,976k (2023: net liabilities of £98k).

Non-current assets

Goodwill of £3,577k has arisen on the acquisitions of C&D and SWH and has been recognised at cost, representing the excess of the consideration paid over the net assets acquired. The details relating to the acquisitions are set out in Note 12. As required by IAS 36, an impairment review has been carried out and concluded that no impairment was necessary.

The intangible assets are the value of the customer relationships

acquired and these are amortised each year.

Current assets excluding cash

Current assets excluding cash comprises trade and other receivables of £1,125k (2023: £30k), contract assets of £266k (2023: nil), stock balances of £145k (2023: £419k), and other current assets of £197k (2023: £140k). See Note 16 for further details.

Liabilities excluding borrowings

The largest balance is trade and other payables at £1,947k (2023: £284k).

Also included is the contingent deferred consideration arising from the acquisitions of C&D and SWH. The total balance of contingent consideration is £1,335k of which £180k is due within 12 months of the FY24 year end.

Lease liabilities amount to £245k (2023: £308k).

See Note 16 for further details.

Liquidity

The Group cash balance as at 31 December 2024 was £1,965k (2023: £54k).

Details of borrowings are shown in Note 16vii.

Cashflow

£'000	Year ended 31 December 2024	Year ended 31 December 2023
Net cash (used in)/generated from operating activities	(3,083)	(1,256)
Payment for acquisitions, net of cash acquired	(747)	–
Purchase of property, plant & equipment	(64)	(2)
Other	36	4
Net cash (used in)/from investing activities	(775)	2
Net proceeds from issue of shares	5,663	465
Proceeds from borrowing		500
Proceeds from related parties	339	–
Net proceeds from factoring of trade receivables	100	
Repayment of borrowing, HP and lease liabilities	(162)	(503)
Other	(8)	
Net cash generated from financing activities	5,932	462
Net cash outflow from discontinued operations	(162)	
Net increase/(decrease) in cash during the year	1,912	(792)

Net cash used in operations includes £1,622k of exceptional costs relating to the RTO and the acquisitions of C&D and SWH.

Issue of New Shares

On 5 March 2024, 400,000,000 new shares were issued at 0.075 pence per share with a total value net of fees of £278k. A further 83 ordinary shares were allotted on 4 April 2024 solely to facilitate the share consolidation on a 1-for-10 basis and then subsequently there was a share consolidation of every 100 ordinary shares of 0.04 pence each into one new ordinary share of 4 pence each. On 8 April 2024, 4,000,000 shares were issued at 7.5 pence per share on conversion of a £300k loan, made to the Company by Bob Holt, prior to his appointment as a director of the Company. On the same day there was a placing of 39,554,644 new ordinary shares at a price of 7.5 pence per share raising £2,749k net of costs.

On 8 April 2024, 9,778,666 shares were issued at 7.5 pence per

share with a total value net of fees of £712k. On 28 August 2024, 20,798,491 shares were issued at 7.5 pence per share on a VCT placing with a total value net of fees of £1,457k. On 29 August 2024, 6,552,959 shares were issued at 7.5 pence per share with a total value net of fees of £467k. On 29 August 2024, 3,000,000 shares were issued at 7.5 pence per share on conversion of a £225k loan originally made by C&D by Bob Holt.

A further 8,975,119 consideration shares were issued on the acquisition of C&D and SWH.

Dividends

No dividend is recommended (2023: £nil).

Events after the reporting period

On 12 June 2025, the Group signed a sale and purchase agreement to acquire all the share capital of A&D at a cost of £2.8m with initial consideration of £1.3m, £1.04m in cash, to be adjusted for

net debt and normalised working capital and £0.2m of which is contingent on meeting targets by 31 December 2025. The remaining initial consideration of £260k is payable in new ordinary shares in EARNZ plc. The remaining consideration is deferred and contingent upon reaching EBITDA targets for up to 3 years post completion and is payable 60% in cash and 40% in new ordinary shares in EARNZ plc. On 12 June 2025 the Company raised £1.02m through a share placing, to fund the acquisition and provide additional working capital for the Group. The sale is expected to complete on 1 July 2025 conditional on shareholders' approval at a general meeting to authorise the directors to issue the consideration shares.

Events after the reporting period are described in Note 25 to the financial statements.

Elizabeth Lake

Chief Financial Officer
26 June 2025

Risk report

Risk Management Framework

The Group has a risk register which includes all principal risks critical to the business.

The Board retains responsibility and accountability for the effectiveness of the risk management framework and internal control systems. As the business grows the risks will

continue to evolve and grow in complexity and so will the risk management processes. This will ensure continuous improvement in the organisation's risk maturity.

Approach to Risk Management

The Audit Committee, under delegated authority from the Board, is accountable for

overseeing the effectiveness of the risk management process, including identification of the principal and emerging risks facing the Group. The Audit Committee has particular focus on those risks that affect accounting in general and safeguarding the Group's assets.

Principal Risks and Uncertainties

The current Board has identified the Group risks.

DETAIL OF RISK	MITIGATION and MANAGEMENT	ASSESSMENT
Insufficient working capital to fund growth opportunities in delivery of the Group's buy and build strategy.	The Board has reviewed medium-to-long-term cashflow forecasts (including sales forecast), and aims to ensure sufficient funding is in place to meet requirements. The Board is continually engaged with its investors and potential investors.	High risk
Underperformance of target businesses	Full legal and financial due diligence was completed on each target business, including historical financial information. External advisors and Reporting Accountants were appointed for this work during the reporting period. Focusing on the decarbonisation agenda which is funded by government and a key policy area. Maintain good trading relationship with all key customers and continue to monitor. Build in contingencies in budgets and forecasts. Strong management teams are in place within the target businesses.	Medium risk
HSE violations in Group operating companies.	The Group is directly responsible for installing and auditing an HSE culture. Documented operating procedures are in place in the operating businesses. Health & Safety is reviewed at each Board meeting.	Medium risk
Failure of business systems or loss of data, potentially causing issues such as delay in sales, reduced financial performance, reputational damage.	The Group uses external IT support to carry out regular penetration testing and auditing security and processes. Robust insurance policy in place in case the event of ransom, including obtaining cyber essentials and training.	Medium risk

DETAIL OF RISK	MITIGATION and MANAGEMENT	ASSESSMENT
<p>Attracting and retaining key employees. There is a general shortage of labour across the construction industry.</p> <p>Each operating company has a key management team, including the founders. The loss of any of these staff would have a detrimental impact on the growth of the business.</p>	<p>Founders are incentivised with earn outs and bonuses. Executives have an LTIP in place, and senior management have bonus schemes. The Group is committed to improving working conditions, work life balance, progression, and training.</p>	<p>Medium risk</p>
<p>Failure to meet AIM corporate governance requirements.</p>	<p>The executive benchmarked its corporate governance, policies and procedures against published QCA guidelines to ensure compliance. The Company has regular discussions with its nominated adviser and external counsel.</p>	<p>Low risk</p>

Governance report

BOARD OF DIRECTORS

The Directors of EARNZ plc as at the date of signing the report and accounts comprised:

Bob Holt OBE

(Executive Chair)⁽¹⁾ – appointed 29 February 2024

Bob Holt is a highly accomplished executive with over 35 years' experience in senior leadership roles across various sectors, most recently serving as CEO of Revolution Beauty Plc after joining its board as interim COO. Prior to that, he successfully led Sureserve Group Plc as Chair, overseeing its successful turnaround that resulted in over a fivefold increase in the company's share price. He is perhaps most widely known for his role in the rise of Mears Group PLC. Since being appointed as Chair in 1996, he guided the company through its successful IPO on AIM and played a pivotal role in building its order book value to £3 billion, establishing Mears as a market leader in its sector. Bob has been awarded the OBE for his services to philanthropic causes.

⁽¹⁾ On completion of the acquisition of A&D Bob Holt will be appointed as Non-Executive Chair for the Company

John Charlton

(Executive Director and Company Secretary)⁽²⁾ – appointed 29 February 2024

John Charlton spent 28 years in various senior corporate banking and risk management roles within Barclays plc, specialising latterly in listed business service companies. He joined Sureserve Group plc as Group Company Secretary in 2017 and assisted with the successful turnaround of that business. In addition, John is Trustee and Chair of The Sureserve Foundation.

⁽²⁾ On completion of the acquisition of C&D John Charlton will resign as director of the Company and will remain as Company Secretary

Elizabeth Lake FCA

(Chief Financial Officer) – appointed 3 June 2024

(appointed non-executive director from 13 March 2024 – 3 June 2024)

Elizabeth is an accomplished executive with more than 25 years' finance and commercial experience. Previously, Elizabeth joined the board of Revolution Beauty Group as CFO in May 2022 and was instrumental in turning around the business following the suspension of its shares from trading on AIM. Prior to Revolution Beauty, she was CFO of AIM quoted, Everyman Media Group. During her time at Everyman, Elizabeth successfully led the company through the challenges presented by the Covid 19 pandemic, demonstrating her ability to navigate uncertainty with strong financial and operational acumen. Prior to Everyman, Elizabeth was Chief Financial Officer at AIM quoted, Science in Sport, and before that finance director at Hugo Boss UK and Ireland. She brings extensive UK plc experience to EARNZ having also worked in finance roles at Marks & Spencer, Pearson and Thomson Reuters. Elizabeth is ACA qualified having trained at Coopers and Lybrand (now PwC).

Linda Main

(Senior Independent Director) – appointed 1 May 2024

Linda is a chartered accountant who retired from KPMG LLP in September 2023 after a long career leading its Capital Markets Advisory Group. Linda has advised on well over 100 IPOs and significant transactions by listed companies of all sizes ranging from start ups to members of the FTSE

100. She was also a member of the UK board of KPMG where she chaired the Risk Committee and sat on the Audit Committee. Until December 2023, Linda was a member of the London Stock Exchange's AIM Advisory Group and earlier in her career sat on a number of the Quoted Companies Alliance ("QCA")'s technical committees. She also sits on the QCA board. Linda is a Trustee of Carers Trust, a leading charity working to transform the lives of unpaid carers. Linda chairs the Company's Audit and Remuneration committees.

Sandra Skeete (Independent Non-Executive Director) – appointed 3 June 2024

Sandra has over 25 years' experience working in social housing, holding senior roles in organisations such as the Peabody Trust and Refugee Housing Association Limited, and was previously a director of One Housing Group and the Duke of Lancaster Housing Trust. She was the Chief Executive of Octavia Housing Association Group, a not-for-profit organisation offering social housing and care services for vulnerable members of the community in central and west London. She was previously a non-executive board associate of Principality Building Society. Sandra sits on the Company's Audit and Remuneration committees.

Directors in post during the year included:

Rob Richards (Chief Executive Officer) – resigned 29 February 2024

The Rt Hon. Lord David Willetts frs (Non-Executive Chair) – resigned 29 February 2024

George Katzaros (Non-Executive Director) – resigned 29 February 2024

Gavin Mayhew (Non-Executive Director) – resigned 2 January 2024

The Board and responsibilities

The Board holds monthly meetings to review, formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progress towards its goals. There is an Audit Committee and a Remuneration Committee in place with formally delegated duties and responsibilities and with specific terms of reference. From time-to-time separate committees may be set up by the Board to consider specific issues when the need arises. Due to the size of the Group, the Directors have decided that issues concerning the nomination of directors will be dealt with by the Board rather than by a committee but will regularly reconsider whether a nominations committee is required.

Details of board meetings held in the reporting period, and attendance of Board directors is shown below:

Board Members	Eligible to attend	Attended
Executive Directors		
Lord David Willetts (resigned 29 February 2024)	2	2
Rob Richards (resigned 29 February 2024)	2	2
George Katzaros (resigned 29 February 2024)	2	2
Bob Holt OBE (appointed 29 February 2024)	17	16
Elizabeth Lake FCA (appointed Non-Executive Director 13 March 2024 and as Chief Financial Director 3 June 2024)	16	16
John Charlton (appointed 29 February 2024)	17	17
Non-Executive Directors		
Linda Main (appointed 3 June 2024)	14	14
Sandra Skeete (appointed 1 May 2024)	12	8

The Audit Committee

The Audit Committee comprises Linda Main (appointed 1 May 2024) as Chair and Sandra Skeete (appointed 3 June 2024). At the beginning of the year, the Audit Committee comprised The Rt Hon. Lord David Willetts FRS (resigned 29 February 2024) as Chair and Gavin Mayhew (resigned 2 January 2024). Elizabeth Lake

(appointed 13 March 2024) joined the Audit Committee temporarily on 1 May 2024 whilst she was a non-executive director, and was replaced by Sandra Skeete on 3 June 2024.

The Audit Committee determines the terms of engagement of the Group's auditors and will determine, in consultation with the auditors, the scope of the audit.

The Audit Committee receives, and reviews reports from management and the Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Group's auditors. The Audit Committee Report is presented on page 22.

Governance

report *continued*

The Remuneration Committee

The Remuneration Committee comprises Linda Main (appointed 1 May 2024) as Chair and Sandra Skeete (appointed 3 June 2024). At the beginning of 2024, the Remuneration Committee comprised George Katzaros (resigned 29 February 2024) as Chair and Gavin Mayhew (resigned 2 January 2024).

The Remuneration Committee reviews the scale and structure of the executive Directors' and senior employees' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive Directors are set by the entire Board. The Directors' Remuneration Report is presented on pages 23-24.

Investor relations

The Annual General Meeting is the principal forum for dialogue with shareholders. Updates on the progress of the business are regularly published on the Group's website.

On behalf of the Board

Bob Holt OBE

Executive Chair

26 June 2025

Corporate governance report

The Chair has overall responsibility for corporate governance and good corporate governance is central to the Group’s approach to creating sustainable growth and enhancing long-term shareholder value. The Directors are expected to always act ethically and responsibly, reflecting the Group’s core values.

The Directors recognise that good corporate governance is a key foundation for the long-term success of the Group. As the Company is listed on the AIM market of the London Stock Exchange it is subject to the continuing obligation of the AIM Rules. The Board has therefore adopted the principles set out in the Corporate Governance Code for small and mid-sized

companies published by the Quoted Companies Alliance (the “QCA Code”).

The principles are listed below with an explanation of how the Company applies each principle, and what we do and why.

a clear and transparent manner by releasing a market announcement and by including it on the Company website.

QCA Code Principle	Application (as set out by QCA)	What we do and why
1. Establish a strategy and business model which promote long-term value for shareholders	The Board must be able to express a shared view of the company’s purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long term. It should have specific long-term objectives against which it can assess whether the Company is delivering on its purpose. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.	The Company’s strategy is explained fully within the Chair’s Review section of the Report and Accounts for the year ended 31 December 2024. Our strategy is identifying potential acquisitions in the energy services sector, to create a consolidated Group with scale and breadth of offering in the energy services sector, growing revenues and profitability. The key challenges to the business and how these are mitigated are detailed on page 8 of the Report and Accounts for the year ended 31 December 2024.

Corporate governance report *continued*

QCA Code Principle	Application (as set out by QCA)	What we do and why
<p>2. Promote a corporate culture that is based on ethical values and behaviours</p>	<p>The Board should embody and promote a corporate culture that is based on sound ethical values and which is supportive of the delivery of the Company's established purpose, strategy and business model. The desired culture should be reflected in the actions and decisions of the Board and executive management team. Corporate values should guide the objectives and the strategy of the Company.</p>	<p>The Corporate and Social Responsibility section on page 25 of the Report & Accounts for the year ended 31 December 2024 details the ethical values of the Company.</p>
	<p>The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system throughout the Company should reflect and reinforce the maintenance of this culture. The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other communications by the Company, both internal and external.</p>	<p>The Company's policies and procedures on Data Protection; Disciplinary, Dismissal and Grievance; Ethics; Share Dealing; Social Media; and Speak-Up were reviewed and updated as required and amended policies were approved by the Board during the year. The Board continues to review policies and will amend as required. These policies and procedures are made available to staff and consultants and anti-bribery and anti-corruption training and data protection training is mandatory. Staff and consultants are encouraged to ask questions and seek clarifications from senior members of the team on these policies and procedures.</p>

QCA Code Principle	Application (as set out by QCA)	What we do and why
3. Seek to understand and meet shareholder expectations	Directors must develop a good understanding of the needs and expectations of all elements of the Company's shareholder base.	Whilst the Company is early stage, the Board is committed to returning value to shareholders through execution of our strategy
	The Board should ensure proactive engagement with shareholders on governance matters. This should be led by the Chair or, where appropriate by the Senior Independent Director. Other Directors such as the chairs of the Boards sub-committees, should make themselves available for engagement with shareholders.	The Board recognises the AGM as an important opportunity to meet shareholders. All the Directors are available to listen to the views of shareholders informally immediately after the AGM The people responsible for shareholder liaison are: <i>The Chair</i> <i>The Executive Directors</i> <i>NOMAD (Shore Capital)</i>
	The Board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions	The Company's website maintains a channel to provide information and receive feedback from all stakeholders. In addition the Company will present results directly to Investors and provide opportunities for questions at the AGM
4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long term success.	<p>Long-term success relies upon good relations with a range of different stakeholder groups.</p> <p>The Board should periodically identify the company's key stakeholders – for example suppliers, customers, employees, communities, regulators, or others. The Board should understand their needs, interests and expectations.</p> <p>Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all shareholders.</p> <p>The Company should devote particular attention to its workforce and ensure that its practices towards its employees (direct and indirect) are consistent with the Company's values. Arrangements should be in place to enable employees to raise concerns in confidence and processes to ensure that such matters are considered and where appropriate actions are taken.</p>	<p>The executive maintained communications with trade and interest groups working in the markets where its products are sold and applied.</p> <p>A number of mechanisms are in place to solicit feedback from shareholders including the Company's website and face to face meetings as well as the AGM</p> <p>Going forward, much of the Group's business will be involved in decarbonisation of public, commercial and private buildings.</p> <p>The Company has a whistleblowing policy in place which is given to all new employees. This provides a confidential mechanism for employees to raise concerns.</p>

Corporate governance report *continued*

QCA Code Principle	Application (as set out by QCA)	What we do and why
	<p>The governance and appropriate oversight of a Company's approach towards relevant environmental and social issues is a responsibility of the Board. Matters that relate to the Company's impact on society, the communities within which it operates, or the environment – including those relating to or stemming from climate change – have potential to affect the Company's ability to deliver shareholder value over the medium to long term. These matters must be integrated into the Company's strategy, risk management and business model.</p>	<p>The business model is focussed on decarbonisation of buildings in the public, commercial and private sector, together with energy efficiency.</p> <p>The culture of the business reinforces social and environmental responsibility.</p>
5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.	<p>The Board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver on its stated purpose and strategy. Companies need to consider not only the enterprise view but also their extended business, including the company's entire supply chain, other material third parties (including suppliers of outsourced services) and any reliance on strategic partners.</p>	<p>Risk management on pages 8-9 of our Annual Report and Accounts details the risks to the business and how these are mitigated.</p>
	<p>Setting strategy includes determining the extent of exposure to the identified principal risks that the Company is able to bear and willing to take (risk tolerance and risk appetite). The Company should ensure that a balanced view of risk is achieved, and, as well as threats should consider opportunities and the potential for value creation.</p>	<p>The Board considers risks to the business at its monthly meetings and reviews the principal risks to the business and the risk register quarterly.</p>
	<p>The Board should ensure that all potential risks are considered, on a proportionate and material basis, including those relating to climate change.</p>	<p>Risks are reviewed in the business monthly and quarterly by the Board.</p>
	<p>The Board should review and consider whether the Company's enterprise wide controls are sufficiently robust to manage the identified risks adequately.</p>	<p>The enterprise-wide controls are continually reviewed and the FPPP (Financial Position and Prospects Procedures) manual updated if required.</p>

QCA Code Principle	Application (as set out by QCA)	What we do and why
	To achieve effective risk management, the Board, and in particular the audit committee, must ensure that there are appropriate assurance activities in operation. This may be based on access to internal resources, or particularly in specialist or technical areas, the utilisation of external experts.	All Board members are entitled to engage external experts as part of their roles where they see fit.
	It is important to ensure that the Company auditor is and is seen to be sufficiently independent of management.	The Company's auditor HaysMac is independent of management.
6. Establish and maintain the Board as a well-functioning, balanced team, led by the Chair.	<p>The Board members have a collective responsibility and legal obligation to promote the interests of the Company and are collectively responsible for defining corporate governance arrangements. The Board should not be dominated by one person or a group of people, and each Director must be able to commit the time necessary to fulfil their role. Ultimate responsibility for the quality and effectiveness of the Board lies with the Chair.</p>	<p>All members of the Board are experts in their fields with no one individual dominating. All Directors are seasoned Board members and understand the responsibilities of being a company Director.</p>
	<p>Shareholders should be given the opportunity to vote annually on the (re-) election of all individual Directors to the Board.</p>	<p>The shareholders have the opportunity annually at the AGM to vote for the (re-) election of all the Directors</p>
	<p>In order to uphold the quality of Board independence, the Board should be comprised of an appropriate balance between executive and non-executive Directors. The independent non-executive Directors should comprise at least half of the Board. The Chair, if independent upon appointment and still considered independent can be included in this calculation. However, as a minimum there should be at least two non-executive Directors whom the Board considers to be independent.</p>	<p>The new Board comprises 3 executive Directors and 2 non-executive Directors. The 2 non-executive Directors are independent.</p>

Corporate governance report *continued*

QCA Code Principle	Application (as set out by QCA)	What we do and why
	Key committees, in particular the audit committee, should comprise at least a majority of independent NEDs and ideally aim for full independence. The Company should consider whether it is appropriate to have a senior independent Director.	Both the audit and remuneration committees comprise non-executive Directors only, with Linda Main being the Senior Independent Director.
	Boards should be sensitive to both real and perceived impediments to independence. Consideration should be given to those factors which may impede independence which include length of Board tenure, size of shareholding, prior and/or current commercial or contractual relationships with the Company; prior and/or current commercial or contractual relationships with executive Directors; and significant pay arrangements beyond a Director's fee.	The Board is relatively newly constituted. Any related parties are excluded from Board discussions concerning their interests to maintain independence. Directors' remuneration is set by the Remuneration Committee which comprises the non-executive Directors.
7. Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities.	The Company should maintain governance structures and processes in line with its corporate culture and appropriate to its: <ul style="list-style-type: none"> • size and complexity; and • capacity, appetite and tolerance for risk. 	The Corporate Governance report on page 13 details the Company's governance structures and why they are appropriate and suitable for the Company.
	The governance structures processes and policies should evolve in parallel with its size, strategy and business model to reflect its maturity and stage of development. The Board should be supported by committees – typically at least an audit, remuneration and nominations committee – that also have the necessary skills and knowledge to discharge their duties and responsibilities effectively.	The Board has a formal schedule of matters reserved for the Board and is supported by the Audit and Remuneration committees. Due to the size of the Company, the Board has decided that issues concerning the nomination of Directors will be dealt with directly by the Board but will reconsider on a regular basis whether a Nominations committee is needed. The Audit and Remuneration committees have specific terms of reference under which they operate.

QCA Code Principle	Application (as set out by QCA)	What we do and why
	<p>The Board should ensure it has the necessary skills and experience to fulfil its governance responsibilities, including among other things with respect to cyber security, emerging technologies, and relevant sustainability matters such as climate change. The Board should consider any need to establish further dedicated sub-committees and, where appropriate, seek input from external advisors on such matters.</p>	<p>The Directors have a proven track record of previously serving on Boards. Where an expert view is needed the Board will seek input from external advisers</p>
	<p>All Directors should continually update their skills and knowledge. As the Company and the external environment evolves, the mix of skills and experience required on the Board will change. The Board should consider its training and development needs in this context, plan ahead and structure such provision accordingly</p>	<p>Further information about the Board's skillset, including each Director's biography is set out on the Company website and additional information is set out on page 8 in this report.</p> <p>Each director attends industry events and seminars to continually update their skills and knowledge.</p>
	<p>The Board (and any committees) should be provided with high quality information in a timely manner to facilitate the proper assessment of the matter requiring decision or insight. The Board should consider this and the design and implementation of its decision making processes to ensure they are effective.</p>	<p>Through the FPPP process a new Board pack has been developed and this will continue to evolve as the business grows.</p>

Corporate governance report *continued*

QCA Code Principle	Application (as set out by QCA)	What we do and why
8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.	<p>The Board should regularly review its performance as a unit, as well as that of its committees and the individual Directors.</p>	<p>The Board is relatively new, a performance evaluation process will be developed.</p>
	<p>The Board performance review should be carried out on an annual basis and include opportunities for improvement with respect to the performance of the Chair, and the operation of the Board and its committees. The review should identify development or mentoring needs of individual Directors and/or the senior management team.</p> <p>The annual review can be carried out internally and should, ideally, be supplemented periodically by an external independent third-party review.</p> <p>It is healthy for membership of the Board to be periodically refreshed. No member of the Board should become indispensable.</p> <p>Succession planning for both executives and non-executives is a vital task for Boards. This should extend to contingency planning for the absence of key staff. There should be a robust process for the orderly appointment of new Directors to the Board and senior management positions. Consideration should be given to establishing a nominations committee to help with the process and ensure a diverse pipeline – both internally and externally – for succession. The skills, experience, capabilities and background required for Directors and senior management to support the next stage of the Company’s development should be identified and factored into succession planning.</p>	<p>The annual review process will be implemented following the appointment of the CEO, together with succession planning.</p>
9. Establish a remuneration policy which is supportive of long-term value creation and the Company’s purpose and culture	<p>It is the Boards responsibility to establish an effective remuneration policy which is aligned with the Company’s purpose, strategy and culture, as well as its stage of development.</p>	<p>The Remuneration Committee has been established comprising 2 independent non-executive Directors. The Committee are reviewing the remuneration strategy on a regular basis.</p>
	<p>A remuneration policy should motivate management and promote the long-term growth of shareholder value. Remuneration practices across the Company, in particular for senior management, should support and reinforce the desired corporate culture and promote the right behaviours and decisions.</p>	<p>The remuneration policy includes long term incentive schemes to promote long term growth of shareholder value.</p>

QCA Code Principle	Application (as set out by QCA)	What we do and why
	Pay structures for senior management should be simple and easy for participants to understand and foster alignment with shareholders through the building and the holding of a meaningful shareholding in the Company	The remuneration policy includes share options and plans to include a Save-As-You-Earn scheme for wider participation in shareholding across the Group.
	The remuneration committee should, as necessary, consult with other Board committees in order to set appropriate incentive targets and to appraise performance in respect of those targets.	The Remuneration Committee will consult with the Audit Committee and the Board, as appropriate, when developing the remuneration policy.
	The annual remuneration report should be put to an advisory shareholder vote. Where not mandated to be put to a binding vote, remuneration policies should at least be put to an advisory vote. Given the significance and dilutive impact of such plans, new (or significant amendments to existing) share schemes or long term incentive plans should be put to shareholder vote.	The Chair of the Remuneration Committee will consult with major shareholders on the design of incentives. Whilst this will not be binding, it will give shareholders the opportunity for input.
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	A healthy dialogue should exist between the Board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company.	The Company encourages two-way communication with its investors and responds quickly to all queries received. The Board recognises the AGM as an important opportunity to meet private shareholders. The Directors are available to listen to the views of shareholders informally immediately following the AGM.
	Appropriate communication and reporting structure should exist between the Board and all constituent parts of its shareholder base. This will assist: the communication of shareholders' views to the board; and the shareholders' understanding of the unique circumstances and constraints faced by the company.	The Chair is responsible for ensuring appropriate communication and reporting to shareholders. A range of corporate information (including Company announcements, historical annual reports and other governance related material) is also available on the Company's website.
	It should be clear where these communication practices are described (annual report or website).	The Company will disclose outcomes of all votes at shareholder meetings in a clear and transparent manner by releasing a market announcement and by including it on the Company website.

Audit committee report

The Audit Committee helps the Board discharge its responsibilities regarding financial reporting, external and internal audits and controls as well as reviewing the Group's annual and half-year financial statements, other financial information and internal Group reporting.

This includes:

- considering whether the Company has followed appropriate accounting standards and, where necessary, made appropriate estimates and judgments taking into account the views of the external auditors;
- reviewing the clarity of disclosures in the financial statements and considering whether the disclosures made are set properly in context;
- where the audit committee is not satisfied with any aspect of the proposed financial reporting of the Company, reporting its view to the Board of Directors;
- reviewing material information presented with the financial statements and corporate governance statements relating to the audit and to risk management; and
- reviewing the adequacy and effectiveness of the Company's internal financial controls and, review the Company's internal control and risk management systems and, except where dealt with by the Board, review and approve the statements included in the annual report in relation to internal control and the management of risk.

The Audit Committee assists by reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Group's internal audit activities, internal controls and risk management systems. The ultimate responsibility for reviewing and approving the Annual Report and financial statements and the half-yearly reports remains with the Board.

For the year under review, there were non-audit services rendered to the Group and the Company, in the form reporting accountants on the RTO and providing financial due diligence. The audit committee considered the nature and scope of engagement and remuneration paid were such that the independence and objectivity of the auditors were not impaired. Fees paid for audit services are provided in Note 5a.

Significant reporting issues considered during the year included the following:

- Revenue recognition under IFRS 15 and the application within the Group.
- Application of IFRS 3 and calculations to allocate the purchase price of acquisitions made in the period.
- Impairment reviews of acquired subsidiaries.

Going concern

The Committee considered the Going Concern basis on which the accounts have been prepared and can refer shareholders to the Group's accounting policy set out in Note 2.4. The directors are satisfied that the going concern basis is appropriate for the preparation of the financial statements

Linda Main

Audit Committee Chair

26 June 2025

Directors' remuneration report

This report sets out the remuneration policy operated by the Company in respect of the Chair, Executive and Non-Executive Directors. The remuneration policy is the responsibility of the Remuneration Committee, a sub-committee of the Board. No Director is involved in discussions relating to their own remuneration.

Remuneration policy

The objective of the remuneration policy is to attract, retain and motivate high calibre executives to deliver outstanding shareholder returns and at the same time maintain an appropriate compensation balance with the other employees of the Group. There is no formal requirement for Directors to own shares in the Group.

The Remuneration Committee comprises independent Non-Executive Directors, and is appointed by the Board. The Remuneration Committee has terms of reference approved by the Board, which sets out a framework for determining the remuneration of the Company's Executive Chairman, Executive Directors including pension rights and compensation payments. The remuneration of Non-Executive Directors is a matter reserved for the Board. No Director or senior manager shall be involved in any decisions as to their own remuneration. The Remuneration Committee recommends and monitors the level and structure of remuneration for senior management.

The Remuneration Committee has regard to the following factors when determining remuneration:

- The pay and employment conditions across the Company and/or the Group when setting remuneration policy for Directors, especially when determining salary increases.
- The Company's appetite for risk and long term strategic goals.
- Remuneration in other companies of comparable scale
- The Remuneration Committee sets appropriate Directors' compensation to reward long term success:
- A significant proportion of Executive Directors' remuneration should be structured to link rewards to corporate and individual performance and be designed to promote the long-term success of the Company. The Remuneration Committee approves the design of, and determines targets for, any performance related pay schemes operated by the Company and approves any payments made under such schemes.

The Remuneration Committee has regard to the following factors when reviewing remuneration:

- The Remuneration Committee reviews the performance of share incentive plans and discretionary bonus schemes. Each year the Remuneration Committee determines whether

awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors and other senior management and the performance targets to be used.

- The Remuneration Committee periodically reviews the ongoing appropriateness and relevance of the remuneration policy.

Directors' remuneration

The normal remuneration arrangements for Executive Directors consist of base salary, performance bonuses and other benefits as determined by the Board. The Company currently has three Executive Directors, who have service agreements that can be terminated at any time by either party giving to the other six months' written notice.

The remuneration package for an Executive Director is detailed below:

- **Base Salary:** Annual review of the base salary of the Executive Director considering the Executive Director's role, responsibilities and contribution to the Group performance.
- **Performance Bonus:** No bonuses were paid in relation to the reporting period. Going forward the remuneration committee will be establishing a performance bonus scheme with relevant targets.
During FY23, bonus arrangements were discretionary and payable

Directors' remuneration report *continued*

depending on the performance of the Executive Director in meeting key performance indicators and in the wider context with the performance of the Group.

- **Benefits:**

Benefits include Company pension contributions of 5%. The Company intends to include health insurance, and life insurance going forward.

- **Longer term incentives:**

To incentivise the Directors, and align their interests with

shareholders, the Company granted share options in the period. The share options will vest at a future date as described in Note 19 in the financial statements. The vesting conditions are exclusively share price related.

Non-Executive Directors are currently remunerated solely in the form of Directors' fees and pension contributions.

Re-election of Directors

All Directors stand for re-election on an annual basis and all Directors are aware of the need to maintain their independence and to demonstrate their continued commitment to the role. Succession planning is limited due to the current size of the Board.

The remuneration of the Directors in EARNZ plc who held office during the years to 31 December 2024 and 2023 were as follows:

The emoluments of the Directors were as follows (Audited):

	Year ended 31 December 2024				Year ended 31 December 2023
	Salary & Directors' fees £	Pension contributions £	Share-based payments £	Total £	Total £
Executive Directors					
Bob Holt OBE (appointed 1 March 2024)	41,667	1,875	13,580	57,122	–
Elizabeth Lake (appointed 13 March 2024)	78,250	3,913	4,527	86,690	–
John Charlton (appointed 1 March 2024)	31,667	1,146	4,527	37,340	–
Robert Richards (resigned 1 March 2024)	28,272	–	–	28,272	150,000
Non-Executive Directors					
Linda Main (appointed 1 May 2024)	16,667	833	–	17,500	–
Sandra Skeete (appointed 3 June 2024)	15,000	750	–	15,750	–
Lord David Willetts (resigned 29 February 2025)	–	–	–	–	25,000
George Katzaros (resigned 29 February 2024)	–	–	–	–	12,500
Gavin Mayhew (resigned 2 January 2025)	–	–	–	–	–
Total	211,523	8,517	22,634	242,674	187,500

Linda Main

Remuneration Committee Chair

26 June 2025

Corporate and social responsibility

The Company understands that its impact reaches beyond that of its core business and into the environment and society in which it operates. With integrity at the heart of our corporate social goals our aim is to make a lasting positive contribution to all our stakeholders.

In view of the limited number of stakeholders, the Company has not adopted a specific policy on Corporate Social Responsibility. However, it does seek to protect the interests of stakeholders in the Company through its policies, combined with ethical and transparent business operations.

Environment

EARNZ Plc is sensitive to the environment in which it operates. Previously the Group established well defined operating guidelines with some of the manufacturing partners where it sought their compliance with ISO14001 (a recognized standard for Environmental Management Systems) when relevant, to ensure certain environmental standards are complied with. Going forward the Company will be operating in the energy services sector, and as such will be instrumental in assisting with the delivery of de-carbonisation across the public and private sector.

Human Rights

EARNZ plc is committed to socially and morally responsible business practices for the benefit of all stakeholders. The activities of the Company are in line with applicable laws on human rights.

Employees

Employees are key to achieving the business objectives of the Company. The Board's priority is to provide a working environment in which our employees can develop to achieve their full potential and have opportunities for both professional and personal development. We aim to invest time and resource in supporting, engaging and motivating our employees to feel valued, to be able to develop rewarding careers and want to stay with us. The Company embraces employee participation in issue raising and resolution through regular meetings with managers and values contributions from all levels regardless of their position in the business.

Shareholders

The Board of Directors actively encourages communication, and they seek to protect the interest of shareholders at all times. The Company updates shareholders regularly through regulatory news, financial reports and research notes. The Company also engages directly with investors at our General Meetings or investor events.

Health and Safety

Company and Group activities are carried out in accordance with its health and safety policies which adhere to all applicable laws.

Directors' report

The Directors present their report and the audited financial statements for EARNZ plc ("EARNZ" or the "Company") for the year ended 31 December 2024.

The preparation of financial statements is in compliance with UK adopted International Accounting Standards and the Companies Act 2006. The Group financial statements comprise of the financial information of the parent Company and its subsidiaries (together the "Group").

The parent Company's financial statements present information about the Company as a separate entity and not about its Group.

Principal activities

EARNZ plc is a holding company based in UK. The principal activity of the Group is to build a leading business in the energy services sector focusing on decarbonisation of public and private sector building fabric, leveraging UK Government investment in Net

Zero transition and UK clean energy industries.

A detailed review of the business activities of the Group is contained in the Strategic Report.

Business review and future developments

The review of the business' operations, future developments and key risks is contained in the Strategic Report. The Directors do not recommend the payment of a final dividend for the year (2023: £nil).

Directors and directors' interests

The directors who held office during the year or subsequently were as follows:

Bob Holt	Appointed 29 February 2024
John Charlton	Appointed 29 February 2024
Elizabeth Lake	Appointed 13 March 2024
Linda Main	Appointed 1 May 2024
Sandra Skeete	Appointed 3 June 2024
The Rt Hon. Lord David Willetts FRS	Resigned 29 February 2024
George Francis Katzaros	Resigned 29 February 2024
Gavin Mayhew	Resigned 2 January 2024
Robert Richards	Resigned 29 February 2024

Regarding the appointment and replacement of Directors, the Company is governed by its articles of association, the Companies Act and related legislation. The articles themselves may be amended by special resolutions of the shareholders.

Directors' interests

The Directors held the following beneficial interests in the shares of EARNZ plc at 31st December 2024:

	Ordinary shares of £0.04 each	Issued share capital %
Bob Holt	11,300,000	11.06%
Elizabeth Lake	1,666,666	1.63%
John Charlton	1,100,000	1.08%
Linda Main	200,000	0.20%
Sandra Skeete	13,333	0.01%

Directors' indemnities

The Company has taken out Directors' and Officers' indemnity insurance for the benefit of its Directors.

Events after the reporting date

See Note 25 of the accounts.

Financial Risk management

Details of financial risk management are provided in Note 21 to the accounts.

Political and charitable contributions

The Group made no charitable or political contributions during the year.

Going Concern

As at the date of approval of these financial statements, the base case cash flow forecast based on the Board-approved budget and cashflows to 30 June 2026, indicated that no additional cash resources will be required over the course of the next 12 months. This base case assumed that no further acquisitions took place in

the period to 30 June 2026. A further forecast was prepared and reviewed assuming that the Group acquired the entire issued share capital of A&D from 1 July 2025, in line with the Group's stated buy and build strategy. This scenario also indicated that no additional cash resources will be required over the course of the next 12 months.

The Group's cash reserves have been boosted by the fundraise which took place on 12 June 2025, £1.02m was raised for the purchase of A&D and to provide additional working capital for the Group to continue on its buy and build growth strategy.

The Group stress tested two scenarios, using the Board-approved budget and cash flows to 30 June 2026 both with and without the acquisition of A&D.

Scenario 1 The impact of a 10% reduction of revenue across the Group with a corresponding reduction in cost of sales whilst taking no mitigating actions.

Scenario 2 The impact of subcontractor and direct labour costs increasing by 10% but

including reasonable mitigating factors that would be implemented as a matter of course.

Under both forecasts and scenarios, the Group is able to generate profits and cash and has positive net cash available at the end of the period considered.

Should the actual scenarios be worse than those modelled, the Board have other mitigants such as reviewing and reducing variable cost, that could be employed to ensure that there was sufficient cash in the Group.

Further to this, the Group has a credit approved offer for a bank loan of £500k, which has not been included in the forecasts or scenarios but if drawn upon, would provide further liquidity to support the going concern basis.

Based on this assessment, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Substantial shareholdings:

The Company has been advised of the following interests in more than 3% of its ordinary share capital as at 31 December 2024:

Shareholder	No. of Shares (nominal value £0.04)	%
Gresham House Asset Management	25,019,808	24.5%
Bob Holt	11,300,000	11.1%
UBS Group AG	5,802,146	6.9%
Andrew Custer	4,666,666	4.6%
Oakglen Wealth Management	3,709,666	3.6%
Canaccord Genuity Group	3,600,000	3.5%
G Force	3,390,034	3.3%

Directors' report *continued*

At the signing date the Company had been advised of the following interests in more than 3% of its ordinary share capital:

Shareholder	No. of Shares (nominal value £0.004)	%
Gresham House	28,492,808	24.28%
Pentwater Capital Management Europe LLP	12,744,443	10.95
Bob Holt	12,395,444	10.62%
Andrew Custer	4,666,666	4.00%
Oakglen Wealth Limited	3,709,666	3.19%
Canaccord Genuity Group	3,600,000	3.01%

Statement of Disclosure to the Auditors

The Directors at the date of approval of this report confirm that:

- As far as each director is aware, there is no relevant audit information of which the Company's and the Group's auditor is unaware; and
- each Director has taken all reasonable steps that they ought to have taken as a Director to make themselves aware of any relevant information and to establish that the Company's and the Group's auditor is aware of that information.

Auditors appointment

HaysMac LLP were appointed as auditors to the Company during the year. In accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the vote at the AGM.

By order of the Board

Bob Holt OBE

Executive Chair

26 June 2025

Statement of directors' responsibilities

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

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law the Directors have elected to prepare the Group consolidated financial statements in accordance with UK adopted International Accounting Standards (UK IAS) and elected to prepare the parent company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 101 Reduced Disclosure Framework).

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 Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK-adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) have been followed, subject to any material departures disclosed and explained;
- Prepare the Strategic Report and Directors' report which comply with the requirements of the Companies Act 2006; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the group

and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Each of the directors confirms that, to the best of their knowledge:

The Group financial statements, which have been prepared in accordance with UK IAS and Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Independent Auditors' Report to the members of Earnz Plc

Qualified opinion

We have audited the financial statements of EARNZ plc (the '**Company**') and its subsidiaries (the '**Group**') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated Cash Flow Statement, the Consolidated and Company Statement of Changes in Equity 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. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, expect for the possible effects of matters described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards and United Kingdom Accounting Standards FRS 101 respectively; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion – Limitation of Scope

Following the disposal of Verditek Solar Italy SRL during the year, the appropriate audit evidence required to verify the carrying value of the assets and liabilities transferred was not available to us nor the Company. As such, we were unable to obtain sufficient appropriate audit evidence to verify and substantiate the details captured in the trade receivables, trade payables and inventory subledger schedules of Verditek Solar Italy SRL at the disposal date. Accordingly, we could not verify those balances or the final net asset figure included within the completion balance sheet of the disposed subsidiary that was used to calculate the loss on disposal or the loss from discontinued operations. Consequently, we were unable to determine whether any adjustments to these amounts were required. Should an adjustment be necessary leading to a change in the discontinued operations profit, the impact on the overall profit for the year would be nil, as there would be an equal and opposite impact on the loss on disposal figure.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 qualified opinion.

An overview of the scope of our audit

The Group comprises a parent holding company, one subsidiary that was disposed of during the year, two newly acquired subsidiaries and a number of dormant entities. The material components of the Group for which we performed full scope audit procedures following an assessment at the audit planning phase were Earnz Plc, Southwest Heating Services Limited ("**SWH**") and Cosgrove & Drew Limited ("**C&D**") with analytical review or specific scope procedures completed on other group entities that were determined to be less significant to the Group based on our assessment of materiality.

The scope of the audit and our audit strategy was developed by using our audit planning process to obtain and update our understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement at the group level.

We communicated with both the Directors and the Audit Committee our planned audit work via our audit planning report and relevant discussion. We communicated audit progress with the Audit Committee through interim audit progress meetings and communicated any issues to the Audit Committee and Directors in our final audit findings report.

Conclusions relating to going concern

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

Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included consideration of the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the period 12 months from the date of the signing of the financial statements.

The risks that we considered most likely to affect the Group's financial resources or ability to continue operations over this period were adverse circumstances impacting the underlying profitability of the trading subsidiaries as well as access to sufficient cash facilities to undertake acquisitions.

We considered these risks through a review of the application of reasonably foreseeable downside scenarios that could arise with reference to the level of available financial resources indicated by the Group's financial forecasts and management's assessment of these risks, including potential mitigations available.

Our audit procedures to evaluate the Director's assessment of the Group and the Company's ability to continue to adopt the going concern basis of accounting included:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern;
- Evaluating the methodology used by the Directors to assess the Group and the Company's ability to continue as a going concern;
- Reviewing the Directors' going concern assessment and evaluating the key assumptions used and judgements applied;
- Reviewing the sensitivities performed by management to understand any going concern implications;
- Performing our own review of the liquidity headroom and applying sensitivities to the base trading and cashflow forecast assessments of the Directors to ensure there was sufficient headroom to adopt the going concern basis of accounting;
- Reviewing and confirming the receipt of post year end cash amounts for the issue of shares to the Group bank statements;
- Reviewing the availability of the Group's existing cash balances for use in the day to day running of the business;
- Considering various scenarios, including a scenario with an acquisition of A&D Carbon Solutions Limited and a scenario where this acquisition did not take place;

Independent Auditors' **Report to the members of Earnz Plc**

- A review of post year end actuals compared to forecasts prepared by the directors to note whether there was any adverse trading or change in underlying performance of the trading subsidiaries within the group that would impact the going concern assessment;
- Assessing the reasonableness of growth assumptions included within the going concern assessment prepared by the directors by comparing actual performance to forecasts to assist us in determining whether these growth assumptions are reasonable; and
- Reviewing and assessing the appropriateness of the Directors' disclosures regarding going concern in the financial statements.

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed 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, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated within our report.

Key Audit Matter	How our scope addressed this matter
<p>Fraud in Revenue Recognition The risk of incorrect treatment of revenue under IFRS 15.</p> <p>We consider there to be a significant risk of misstatement in the financial statements arising as a result of incorrect application of IFRS 15 and recording revenue when the performance obligations have not been met, thus resulting in a material overstatement of revenue.</p> <p>The Group recognised revenue at a point in time and had revenue recognised over time. There is a risk that revenue is materially overstated if revenue has been recorded prior to the relevant performance obligations being satisfied.</p> <p>Specifically, there is a risk in relation to the cut-off of revenue around the year-end and occurrence of revenue. Specific testing was planned to ensure this risk had been appropriately tested for.</p>	<p>To address the risks associated with revenue, our audit procedures consisted of but were not limited to:</p> <ul style="list-style-type: none"> • We assessed the Group’s accounting policy for each material revenue stream and performed walkthrough procedures to assess the design and implementation of controls. • We performed substantive tests of detail for a sample of revenue items recorded during the year to ensure that revenue had not been materially misstated. • We performed specific targeted testing around the year-end, with sales in December 2024 and January 2025 selected for testing to supporting documentation to ensure that revenue had been included within the correct period. • We performed substantive analytical review procedures to gain sufficient coverage of revenue recognised in the year to ensure that it had been recorded appropriately. • We obtained and critically evaluated management’s revenue recognition policy and whether the application of IFRS 15 was reasonable and appropriate. • For revenue recorded over time, we performed relevant testing on accrued and deferred income to ensure that revenue was being appropriately recognised during the year ended 31 December 2024.

Independent Auditors’ Report to the members of Earnz Plc

Key Audit Matter	How our scope addressed this matter
<p>Acquisition accounting and valuation of intangible assets</p> <p>There is a risk that the acquisition accounting in relation to the acquisition of two trading subsidiaries during the year have been accounted for incorrectly with reference to IFRS 3 ‘Business Combinations’.</p> <p>The risks we identified were as follows:</p> <ul style="list-style-type: none"> • The accounting entries of the newly acquired entities in the Group accounts. • Over/understatement of the fair value of the net assets acquired and the resulting goodwill being recorded. • Identification and accounting of separately identifiable intangible assets arising on acquisition in accordance with IFRS 3. • Cut-off of the income and expenses from the point of acquisition to be recognised in the consolidated accounts. • Completeness and cut-off of balance sheet of the entities being acquired at the date of acquisition. • Appropriateness of the disclosures in the financial statements relating to the acquisition of the new businesses. • Any impairment of the intangible assets including goodwill recognised as part of the acquisition may be materially overstated. 	<p>To address the risks associated with acquisition accounting and the valuation of intangible assets, our audit procedures consisted of but were not limited to:</p> <ul style="list-style-type: none"> • We reviewed the assessment prepared by management regarding whether the transaction constituted a business combination in accordance with IFRS 3. • We reviewed the work of managements expert used to complete the purchase price allocation assessment to assess whether the intangible assets considered to meet the relevant criteria as per IFRS 3 were appropriate. • We reviewed and challenged the valuation exercise undertaken by management and their expert for the purposes of valuing separately identifiable assets arising from the acquisition to ensure these were reasonable. • We reviewed the consideration payable in accordance with the share purchase agreements in place to ensure that the calculation of goodwill was appropriate. • We performed substantive audit testing on the opening balance sheet at acquisition date for both C&D Ltd and SWH Ltd to ensure that the net asset values acquired that were incorporated in the acquisition accounting journals were appropriate. • We assessed whether any impairment indicators existed for the intangible assets at the end of the year, as well as reviewed the goodwill impairment review prepared by management to ascertain whether any impairment was appropriate or not.

Key Audit Matter	How our scope addressed this matter
<p>Accounting for disposal of a group subsidiary (Verditek Solar Italy SRL) and discontinued operations</p> <p>The risk of material misstatement relating to the disposal of Verditek Solar Italy SRL (“VSI”) is that there is a misstatement in the profit/loss from discontinued operations that would materially impact the calculation of the profit/loss on disposal.</p>	<p>We performed targeted audit procedures over the Group’s disposal of its subsidiary Verditek Solar srl (VSI) and the related presentation of discontinued operations.</p> <p>Our procedures consisted of but were not limited to:</p> <ul style="list-style-type: none"> • We obtained the disposal reconciliation, management’s working calculations and supporting evidence for both the consideration received and the carrying value of net assets transferred. • We set out to audit to an appropriate level of materiality the veracity of the balances held within the disposal date statement of financial position. <p>Following the sale, management were not able to provide us with the relevant supporting documentation in order to satisfy our planned audit procedures. As a result of this, we have identified a limitation of scope and accordingly issued a qualified audit opinion in relation to this area of the financial statements. This is covered in further detail in the basis for qualified opinion section of our audit report.</p> <p>Due to this, this has been considered a Key Audit Matter by nature.</p>

Our application of materiality

The scope and focus of our audit were influenced by our risk and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Materiality for the financial statements as a whole was set at £199,000, determined by reference to 2.5% of gross assets. We have reported to the audit committee any corrected or uncorrected misstatements arising exceeding £9,900. Performance materiality was set at £129,000, being 65% of materiality.

Materiality for the parent holding company and the two newly acquired subsidiaries (Cosgrove & Drew Ltd and South West Heating Services Limited) was set by reference to a percentage of component materiality based on each entity’s contribution to the Group gross assets. Materiality for Earnz Plc parent company was set at £83,600.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the 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.

Independent Auditors' **Report to the members of Earnz Plc**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 29, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the Group and trade regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Maddison

(Senior Statutory Auditor)

For and on behalf of HaysMac LLP

Statutory Auditors

26 June 2025

Consolidated statement of profit or loss for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Continuing operations			
Revenue	3,4	2,637	–
Cost of sales	5	(2,289)	–
Gross profit		348	
Administrative expenses	5	(3,154)	(743)
Operating loss		(2,806)	(743)
Net finance costs	6	(74)	(44)
Other income / (losses)		1	(557)
Loss before tax		(2,879)	(1,344)
Taxation	7	195	–
Loss for the period from continuing operations		(2,684)	(1,344)
Loss from discontinued operations	13	(77)	(745)
Loss on disposal of discontinued operations	13	(58)	–
Loss for the period		(2,819)	(2,089)
Loss attributable to owners of Earnz Plc arises from:			
Continuing operations		(2,684)	(1,344)
Discontinued operations	13	(135)	(745)
		(2,819)	(2,089)
Earnings per Share			
Basic and diluted (£)	8	(0.046)	(0.436)

Consolidated statement of comprehensive loss for the year ended 31 December 2024

	Note	2024 (£'000')	2023 £'000
Loss for the year		(2,819)	(2,089)
Other comprehensive income/(loss), net of tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of discontinued operations.	13	9	(17)
Other comprehensive income / (loss)		9	(17)
Total comprehensive loss for the year		(2,810)	(2,106)
Total comprehensive loss for the period attributable to owners of Earnz Plc arises from:			
Continuing operations		(2,684)	(1,344)
Discontinued operations	13	(126)	(762)
		(2,810)	(2,106)

The accompanying notes on pages 43 to 91 are an integral part of these financial statements.

*Comparative information has been re-presented due to discontinued operations

Consolidated statement of financial position for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Property, plant and equipment	9	310	98
Right-of-use assets	10	220	306
Goodwill	11	3,577	–
Intangible assets	11	1,003	–
Deferred tax asset	7	130	–
Total non-current assets		5,240	404
Current assets			
Cash and cash equivalents	16(i)	1,965	54
Trade and other receivables	16(ii)	1,125	30
Contract assets	16(iii)	266	–
Inventories	15	145	419
Other current assets	16(iv)	197	140
Total current assets		3,698	643
Current liabilities			
Trade and other payables	16(v)	(1,947)	(284)
Contingent consideration	16(vi)	(180)	–
Loans and borrowings	16(vii),16(viii)	(1,110)	–
Lease liabilities	16(ix)	(92)	(214)
Tax liabilities	16(x)	(64)	–
Provisions	17	–	(30)
Total current liabilities		(3,393)	(528)
Net current assets		305	115
Non-current liabilities			
Contingent consideration	16(vi)	(1,155)	–
Loans and borrowings	16(vii)	(261)	(523)
Lease liabilities	16(ix)	(153)	(94)
Total non-current liabilities		(1,569)	(617)
Net assets		3,976	(98)
Capital and reserves			
Share capital	18	4,088	222
Share premium	18	15,621	12,626
Share-based payment reserve	19	39	179
Currency translation reserve		–	(9)
Retained earnings		(15,772)	(13,116)
Total equity		3,976	(98)

The accompanying notes on pages 43 to 91 are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the board on 26 June 2025 and signed on its behalf by:

Bob Holt

Chief Executive Officer

Consolidated statement of changes in equity for the year ended 31 December 2024

	Share capital £'000	Share Premium £'000	Share-based payment reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023	177	12,206	333	8	(11,027)	1,697
Loss for the year	–	–	–	–	(2,089)	(2,089)
Other comprehensive loss	–	–	–	(17)	–	(17)
Total comprehensive loss	–	–	–	(17)	(2,089)	(2,106)
Transactions with owners:						
Shares issued, net of costs	45	420	–	–	–	465
Equity settled share-based payments	–	–	(154)	–	–	(154)
Total transactions with owners	45	420	(154)	–	–	311
Balance at 31 December 2023	222	12,626	179	(9)	(13,116)	(98)
Loss for the year	–	–	–	–	(2,819)	(2,819)
Other comprehensive loss	–	–	–	9	–	9
Total comprehensive loss	–	–	–	9	(2,819)	(2,810)
Transactions with owners:						
Shares issued, net of costs	3,227	2,436	–	–	–	5,663
Consideration shares issued on acquisitions	639	559	–	–	–	1,198
Transfer of lapsed share-based payments	–	–	(163)	–	163	–
Equity-settled share-based payments	–	–	23	–	–	23
Total transactions with owners	3,866	2,995	(140)	–	163	6,884
Balance at 31 December 2024	4,088	15,621	39	–	(15,772)	3,976

The accompanying notes on pages 43 to 91 are an integral part of these financial statements.

Nature and purpose of reserves:

Share capital

This reserve represents the nominal value of shares issued by the company. It arises from the issue of ordinary shares and reflects the legal capital that is not distributable to shareholders.

Share premium

This reserve represents the excess of proceeds received over the nominal value of shares issued by the company, in addition to any costs incurred on the issuance of shares. It is a non-distributable reserve.

Share-based payment reserve

This reserve represents the cumulative fair value of equity-settled share-based payments recognised as an expense in the profit or loss account in accordance with IFRS2. This reserve is not distributable and is transferred to retained earnings upon exercise or lapse of the related share-based payment arrangement.

Currency translation reserve

This reserve represents the currency translation differences arising from the consolidation of foreign operations. This reserve is not distributable and is reclassified to profit or loss on disposal of the relevant foreign operation.

Retained Earnings

This reserve represents the cumulative net profits or losses of the group after dividends and other appropriations. It includes all undistributed earnings since incorporation and reflects the portion of profits that is available for distribution to shareholders, subject to any legal or contractual obligations.

It also includes adjustments relating to changes in accounting policies or the corrections of prior period errors, where applicable, in accordance with IAS 8.

Consolidated cash flow statement for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Loss before taxation		(2,879)	(2,089)
Adjustments to cash flows from non-cash items:			
Depreciation	9,10	81	223
Amortisation	11	33	–
Impairment of ICSI receivable		–	557
Share based payment expense	19	23	(154)
Loss on disposal of subsidiary	13	(77)	50
Less utilisation of onerous contract provision	17	(240)	–
Bad debt expense	16(ii)	40	–
Less finance income	6	(39)	(4)
Add back finance costs	6	113	62
		(2,945)	(1,355)
Working capital adjustments:			
(Increase) in inventories	15	8	116
(Increase) in trade and other receivables		162	(25)
Increase in trade and other payables		(308)	8
Net cash outflows from operating activities		(3,083)	(1,256)
Cash flows from investing activities			
Interest received	6	39	4
Payment for acquisition of subsidiaries net of cash acquired	12	(747)	–
Purchase of property, plant and equipment	9	(64)	(2)
Proceeds from sale of property, plant and equipment	9	1	–
Staff loans issued		(4)	–
Net cash (outflows)/inflows from investing activities		(775)	2
Cash flows from financing activities			
Proceeds from issue of shares, net of share issue costs	18	5,663	465
Proceeds from unauthorised overdraft		2	–
Net proceeds from factoring of trade receivables	16(viii)	139	–
Factoring fees and interest paid		(39)	–
Proceeds from related parties		339	–
Proceeds from borrowings		–	500
Repayment of borrowings		(89)	(325)
Repayment of lease liabilities		(73)	(163)
Interest paid	6	(10)	(15)
Net cash inflows from financing activities		5,932	462
Net cash outflow from discontinued operations	13	(162)	–
Net increase/(decrease) in cash and cash equivalents		1,912	(792)
Cash and Cash Equivalents at the start of the period		54	842
Net foreign exchange differences on cash and cash equivalents		(1)	4
Cash and Cash Equivalents at the end of the period		1,965*	54

The accompanying notes on pages 43 to 91 are an integral part of these financial statements.

*Includes restricted cash of £583k, see Note 16(i) for further detail.

Notes to the financial statements for the year ended 31 December 2024

1.0 Corporate Information

Energy Advisory Regeneration Net Zero, EARNZ Plc (“EARNZ”, “the Company”), previously Verditek Plc, is a public company limited by share capital, incorporated in the UK, registered in England and Wales (Company number: 10114644) and domiciled in the UK.

The address of its registered office is:

St James House First Floor,
St James House,
St James’ Square
Cheltenham,
Gloucestershire,
United Kingdom,
GL50 3PR

The Company’s ordinary shares are traded on the Alternative Investment Market (AIM) of the London Stock Exchange under the ticker symbol EARN.

On 1 March 2024, the Company completed the disposal of its only operating business, Verditek Solar Italy srl, which formed a significant part of its historical activities. Following its disposal, the Company became an AIM Rule 15 cash shell pursuant to the AIM Rules. On the same date, the existing board of directors resigned with immediate effect and a new executive board was appointed.

On 6 March 2024, the Company changed its name from Verditek Plc to EARNZ Plc and, under the new board of directors, has undergone a strategic shift, reflecting a change in its core operations and future direction.

The Company’s strategy is to buy and build leading businesses, with a focus on decarbonisation and net zero.

1.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applicable to companies reporting under IFRS.

These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the UK.

2.1 Basis of preparation

These consolidated financial statements present the results of the Earnz Plc and its subsidiaries (‘the Group’), for the year ended 31 December 2024. The Parent Company’s financial statements present information about the Company as a separate stand-alone entity.

During the year, the Group disposed of Verditek Solar Italy srl, which has been classified as a discontinued operation in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The results of the discontinued operation have been presented separately from continuing operations in the consolidated statement of profit or loss in the current period. This reclassification has no impact on the total loss for the year, net assets, or the total comprehensive income in the prior year.

Comparative information for the profit or loss has been restated but the statement of financial position has not, as the operation did not meet the criteria to be classified as held for sale or discontinued at the end of the prior reporting period.

The material accounting policy information adopted in the preparation of the consolidated financial statements is set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

Notes to the financial statements

for the year ended 31 December 2024 *continued*

The preparation of financial statements, in compliance with the UK adopted IFRS Accounting Standards, requires the use of certain judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is made and in any future periods affected. Significant areas where the Group has applied critical accounting judgements and key sources of estimation uncertainty are disclosed in Note 2.

The Group and Parent Company financial statements of Earnz Plc for the year ended 31 December 2024 (and the comparatives for the year ended 31 December 2023) were authorised for issue in accordance with a resolution of the Directors on 26 June 2025.

2.2 Going concern

The consolidated financial statements have been prepared on a going concern basis, under the historical cost convention as modified by financial assets and financial liabilities.

The Directors have made an assessment of the Group's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. In making this assessment the Directors have considered:

- The Group's current financial position and cash flow forecasts;
- The availability of existing banking and financing facilities;
- The expected performance of the businesses in light of the current and forecasted market conditions and;
- Any significant risks and uncertainties, including revenue reductions and cost inflations.

As at the date of approval of these financial statements, the base case cash flow forecast based on the Board-approved budget and cashflows to 30 June 2026, indicated that no additional cash resources will be required over the course of the next 12 months. This base case assumed that no further acquisitions took place in the period to 30 June 2026. A further forecast was prepared and reviewed assuming that the Group acquired the entire issued share capital of A&D Carbon Solutions LTD from 1 July 2025, in line with the Group's stated buy and build strategy.

This scenario also indicated that no additional cash resources will be required over the course of the next 12 months.

The Group's cash reserves have been boosted by the fundraise which took place on 12 June 2025, £1.02m was raised for the purchase of A&D Carbon Solutions LTD and to provide additional working capital for the Group to continue on its buy and build growth strategy.

The Group stress tested two scenarios, using the Board-approved budget and cash flows to 30 June 26 both with and without the acquisition of A&D Carbon Solutions LTD.

Scenario 1 The impact of a 10% reduction of revenue across the Group with a corresponding reduction in cost of sales whilst taking no mitigating actions.

Scenario 2 The impact of subcontractor and direct labour costs increasing by 10% but including reasonable mitigating factors that would be implemented as a matter of course.

Under both forecasts and scenarios, the Group is able to generate profits and cash and has positive net cash available at the end of the period considered.

Should the actual scenarios be worse than those modelled, the Board have other mitigants such as reviewing and reducing variable cost, that could be employed to ensure that there was sufficient cash in the Group.

Further to this, the Group has a credit approved offer for a bank loan of £500k, which has not been included in the forecasts or scenarios but if drawn upon would provide even further liquidity to support the going concern basis.

Based on this assessment, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Basis of measurement

The financial statements are prepared on the basis of the following measurement categories:

Non-current assets including property, plant and equipment are measured at historical cost, less accumulated depreciation and accumulated impairment losses.

Inventory is measured at the lower of cost or net realizable value.

Financial instruments are classified into categories based on their nature and are measured as follows:

- Financial assets at amortised cost using the effective interest rate method
- Financial assets at fair value through profit or loss (FVTPL) with any gains or losses on the remeasurement of the fair value being recognised in profit or loss

Impairment of non-financial assets is measured using the value-in-use method, whereby the recoverable amount of an asset or cash-generating unit is determined based on the present value of future cash flows expected to be derived from the asset.

Liabilities are generally measured at amortised cost, except liabilities related to leases.

Leases are measured at the present value of future lease payments, discounted using the appropriate discount rate (see Note 16(ix) for further details on leases).

2.4 Changes in accounting policies, disclosures, standards and interpretations

New and amended standards adopted by the Group

The following accounting standards have been issued and were effective 1 January 2024 but have limited impact on the company's financial statements.

- *Liability in a Sales and Leaseback (Amendments to IFRS 16 Leases);*
- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1 Presentation of Financial Statements);*
- *Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and*
- *Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)*

The amendments listed above did not have any impact on the amounts recognised in current or prior periods and are not expected to significantly affect future periods.

New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to the standards and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2025:

Notes to the financial statements for the year ended 31 December 2024 *continued*

- *Lack of exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)*

The following amendments are effective for the period beginning 1 January 2026:

- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments)*

The following amendments are effective for the period beginning 1 January 2027:

- *IFRS 18 Presentation and Disclosure in Financial Statements*
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures*

The Group is currently assessing the impact of these new accounting standards and amendments but does not expect these or any other standards issued by the IASB that are yet to be effective, to have a material impact on the group.

2.5 Accounting policies

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

All intra-group transactions, balances, income and expenses, and gains and losses are eliminated on consolidation.

Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

See Note 20 for full details on subsidiaries.

On 29 February 2024, the Group disposed of Verditek Solar Italy srl. The subsidiary's results have been included in the consolidated financial statements up to the date of disposal and have been accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Further disclosure is provided in Note 13.

The Group acquired Cosgrove & Drew Ltd and South West Heating Services Limited on 29 August 2024.

The acquisitions were assessed and determined to meet the definition of a business combination in accordance with IFRS 3 – Business Combinations. Accordingly, the Group has applied the acquisition method to account for these transactions, recognising identifiable assets acquired and liabilities assumed at their fair values, at the acquisition date. The results of the acquired entities have been consolidated from the date control was obtained. Further disclosure is provided in Note 12.

Foreign currency transactions and balances

Functional and presentation currency

The financial statements are presented in pounds sterling which is the presentational currency of the Group, and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions and balances

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit and loss. Non-monetary items that are measured at historical cost are not retranslated at year end.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit and loss, within finance costs. Other exchange gains and losses are included in the line items to which they relate.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit & loss, as part of the gain or loss on sale.

Revenue Recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring control of a good or service to the customer, in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured net of VAT, trade discounts and other similar deductions.

The Group earns revenue from multiple income streams and revenue recognition can vary depending on the type of contract and the specific terms and conditions outlined within it. Different types of contracts may involve varying performance obligations, timing of revenue recognition and methods for measuring the transaction price but currently the Group has two broad categories for revenue recognition:

Major projects and small works

Revenue is recognised over time for services in project contracts and small works. Progress towards complete satisfaction of the overall performance obligation is measured using the output method of certification of work completed, agreed with the customer in advance of a month end.

Revenue is recognised at a point in time for materials in project contracts, on delivery to site, which represents the transfer of control of the goods.

Notes to the financial statements

for the year ended 31 December 2024 *continued*

Repairs, maintenance and reactive works

Revenue is recognised at a point in time when the entity satisfies the performance obligation by transferring a promised service to a customer.

In addition, the follow criteria must be met in order to recognise revenue:

- A contract, with a customer exists, either written, verbal or implied;
- The company has identified performance obligations in the contract or contract milestones;
- The transaction price can be reliably estimated; and
- It is probable that the company will collect the consideration to which it is entitled in exchange for the goods or services.

Performance obligations and milestones

Performance obligations define the goods or services that the entity promises to transfer to the customer, where milestones represent significant points in the fulfilment of those obligations. At the start of the contract the Group establishes the most appropriate basis to determine the timing and pattern of revenue recognition relating to that contract.

Performance obligations: Performance obligations are promises in a contract with a customer to transfer distinct goods or services. They represent the obligations of the entity to the customer and are the basis for revenue recognition. Performance obligations can be explicit or implicit and each distinct performance obligation must be separately identified and evaluated for revenue recognition.

Milestones: Milestones are significant events or stages of completion that trigger revenue recognition. They represent key points in the fulfilment of performance obligations or the achievement of contractual objectives. Revenue can be recognised upon the achievement of contract milestones if they represent progress towards satisfying a performance obligation.

Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as price escalation, is included based on the expected value, or most likely amount, only to the extent that it is highly probable that there will not be a material reversal of the cumulative revenue recognised. The transaction price does not include estimates of consideration resulting from contract modification, such as change orders, until they have been approved by parties to the contract.

The total transaction price is allocated to the performance obligations or milestones identified in the contract in proportion to their relative, stand-alone selling prices. Given the nature of the Group's services, which are carried out under contract to customers individual specifications, there are typically no observable stand-alone selling prices. Instead, stand-alone selling prices are typically estimated based on expected costs plus contract margin consistent with the Group's pricing principles.

Payment terms vary from contract to contract, and an element of the transaction price may be received in advance of the delivery. The Group may therefore have contract liabilities depending on the contract's status at a period end.

The Group's contracts are not considered to include significant financing components on the basis that there is no difference between the consideration and the cash selling price.

Timing

At the start of the contract the Group defines the timing of revenue recognition having considered the nature of the goods or services provided, the terms of the contract, and the transfer of control.

Sale of goods: Revenue from the sale of goods is typically recognised at a point in time when control of the goods is transferred to the customer. This may occur upon delivery, shipment or when the customer takes possession of the goods depending on the terms of the contract.

Rendering of services: Revenue from services may be recognised over time as the services are performed, if the customer simultaneously receives and consumes the benefits provided by the services. Alternatively, revenue may be recognised at a point in time when the service is completed or when control of the service is transferred to the customer.

Long-Term contracts: Revenue from long-term contracts may be recognised over time using a percentage-of-completion method or based on milestones achieved, if certain criteria are met. Alternatively, revenue may be recognised at a point in time, if the performance obligation is satisfied at a single point in time.

Variable consideration: Revenue recognition may be impacted by variable consideration, such as performance bonuses, discounts or rebates, which may require estimation and adjustment of the transaction price over time as uncertainties are resolved.

If it is expected that the total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") as required by IFRS 8 Operating Segments. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Detailed information is provided in Note 4 of the financial statements.

Government grants

Government grants are recognised only when there is a reasonable assurance that the Group will comply with the conditions attaching to the grant and that the grants will be received. The amounts received are reported under other income in the financial statements. The income is reported in the period necessary to match the related costs that they are intended to compensate.

Employee benefits

Short-term employee benefits

Short-term employee benefits include wages and salaries, paid annual sick leave, bonuses and non-monetary benefits (such as healthcare). These are recognised as an expense in the period in which the employee provides the service. Any unpaid amounts at the reporting date are recorded as current liabilities in the statement of financial position.

Post-employment benefits – Defined contribution schemes

The Group operates defined contribution pension schemes for its employees, including participation in the Nation Employment Savings Trust (NEST). Contributions are recognised as an expense in the profit or loss statement in the periods in which the related employee services are rendered. The Group has no further payment obligation once the contributions have been paid. Unpaid contributions at the reporting date are recognised within current liabilities.

Notes to the financial statements

for the year ended 31 December 2024 *continued*

Share based payment transactions

Employees (including senior executives) of the Group may receive remuneration in the form of share-based payment transactions, whereby consideration is received in the form of equity instruments for services rendered (equity-settled transactions). The Group has two equity-settled share-based payments schemes in place at the year end, one that pre-dates the Company becoming an AIM Rule 15 cash shell (the 'Option plan') and one that became effective on 28 August 2024 at the point of the Company's readmission to AIM (the Long Term Incentive Plan, 'LTIP').

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they were granted. The valuation models chosen to value the Option plan and the LTIP were the Black-Scholes model and the Monte Carlo model respectively. The choice of model is determined by features of the awards. The Black-Scholes model is used for awards with fixed exercise prices, service-based vesting conditions, and no market-based performance conditions. Conversely the Monte Carlo simulation model is applied when awards include market-based conditions as it enables the modelling of multiple potential future outcomes and incorporates the probability of meeting those conditions over the performance period.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance or service conditions are fulfilled and ending on the date on which the relevant employee becomes fully entitled to the award (the vesting date).

The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognised at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance conditions are satisfied.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification for the original award, as described in the previous paragraph.

Leases

The Group assesses whether a contract is, or contains, a lease at the inception of the contract in accordance with IFRS 16 – Leases.

For all contracts in which the Group is a lessee, and which convey the right to control the use of an identified asset for a period of time in exchange for consideration as defined by IFRS 16 – Leases, the Group recognizes a right-of-use-asset and a corresponding lease liability at the lease commencement, except for:

- Short-term leases (12 months or less), and
- Leases of low-value assets (such as laptops or small office equipment).

These are recognised on a straight-line basis over the lease term in operating expenses.

Right-of -Use Asset

Initially the right-of-use asset is measured at cost, comprising:

- The initial lease liability amount
- Any lease payments made at or before the commencement date
- Any initial direct costs
- Estimated costs of dismantling or restoring the asset (if applicable)

Subsequently, the right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term, adjusted for any remeasurement of the lease liability.

Lease Liability

Initially the lease liability is measured at the present value of future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the implicit rate cannot be readily determined.

Lease payments include:

- Fixed payments (including in-substance fixed payments)
- Variable payments that depend on an index or rate
- Amounts expected to be payable under residual value guarantees
- Purchase or termination option payments if reasonably certain to be exercised

The liability is subsequently measured at amortised cost using the effective interest method and remeasured upon certain events (e.g. lease modification, change in lease term, or change in future payments).

Financial instruments

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group currently does not use derivative financial instruments to manage or hedge financial exposures or liabilities.

Financial assets

The financial assets held by the Group are classified as financial assets held at amortised cost. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method.

Trade receivables

Trade receivables are recognised when the Group has an unconditional contractual right to receive consideration from customers in the ordinary course of business. These are initially measured at the transaction price determined in accordance with IFRS 15 Revenue from Contracts with Customers as they typically do not contain a significant financing component.

Subsequently, trade receivables are measured at amortised cost which, due to their short-term nature, generally approximates their nominal (invoiced) value.

The Group applies the simplified approach to measuring expected credit losses as permitted by IFRS 9 for trade receivables. Under this approach, a lifetime expected credit loss is recognised for all trade receivables, regardless of whether they are past due or not.

Notes to the financial statements

for the year ended 31 December 2024 *continued*

Trade receivables are written off when there is no reasonable expectation of recovery, such as in the case of customer insolvency, liquidation, or prolonged non-payment. Any subsequent recoveries are recognised in profit or loss.

The Group and Company derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or they transfer the asset, and substantially all the risk and rewards of ownership of the asset, to another party.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts are included within borrowings in current liabilities in the balance sheet.

Financial liabilities

The Group classifies their financial liabilities into one category, being other financial liabilities measured at amortised cost.

The Group initially recognises trade payables and other short-term monetary liabilities at fair value and subsequently at amortised cost using the effective interest method. All interest and other borrowing costs incurred in connection with the above are expensed as incurred and reported as part of financing costs in profit and loss. The Group derecognises financial liabilities when, and only when, the obligations are discharged, cancelled or they expire.

Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Borrowings

Borrowings are initially recorded at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expenditure is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date.

The Group assesses any change in the terms and conditions of borrowing by reference to the original debt agreement and accounts for the non-substantial or substantial modification in accordance with IFRS 9 'Financial Instruments'.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method.

Inventories acquired on acquisition are initially recognised at fair value.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, inventories and work in progress are assessed for impairment. If inventory or work in progress is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Income tax

Income tax expenditure comprises current tax and deferred tax. It is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or equity respectively.

Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted, or substantively enacted, at the reporting date. It also includes any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities are offset only if the Group:

- Has a legally enforceable right to set off the recognised amounts; and
- Intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases.

Deferred tax is not recognised for:

- Temporary differences arising from the initial recognition of goodwill;
- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax is measured at tax rates that are expected to apply when the temporary differences reverse, based on laws that have been enacted, or substantively enacted, at the reporting date.

Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences or unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available.

Uncertain tax position

Where there is uncertainty over the tax treatment of a transaction, the Group evaluates whether it is probable that the tax authority will accept the position. If it is not probable, the Group reflects the effect of the uncertainty in its accounting for current and deferred tax using either the most likely amount or expected value method.

Tax consolidation and Group relief

The Group applies group relief where available under UK tax law. Tax losses are surrendered or claimed between group companies to minimize the overall tax liability. Current tax is calculated on a standalone basis

Notes to the financial statements

for the year ended 31 December 2024 *continued*

for each legal entity, and adjustments for group relief received or surrendered are reflected in the current tax expenditure of the respective entities.

When compensation is paid between entities for tax losses surrendered or received, this is treated as an intercompany transaction and eliminated on consolidation.

R&D tax credits

R&D tax credits are accounted for under IAS 12 – *Income Taxes*, as they are considered a form of income tax relief. These credits are recognised as a reduction in current tax payable in the period in which the qualifying expenditure is incurred, provided there is reasonable assurance that the credits will be received and the Group is compliant with the relevant conditions.

Where R&D credits exceed the current tax liability and are repayable by the tax authority, the excess is recognised as a current tax asset.

The benefit of R&D tax credits is presented within the income tax line in the consolidated statement of profit or loss.

Goodwill

Goodwill arises on the acquisition of subsidiaries and is recognised at cost, representing the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed at the acquisition date.

Goodwill is not amortised as it is deemed to have an indefinite useful life, but is tested for impairment at least annually, or immediately if there are indicators of impairment in accordance with IAS 36 – *Impairment of Assets*.

The impairment review compares the carrying amount of the cash-generating unit ('CGU') including goodwill, to its recoverable amount, being the higher of fair value less costs of disposal, and value-in-use.

If the recoverable amount is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. As goodwill impairment is irreversible under IFRS, any impairment loss recognised is permanent and will not be reversed in future periods.

Intangibles

The Group has intangible assets acquired in business combinations which are recognised at fair value at the date of acquisition.

Intangible assets are subsequently carried at fair value less amortisation and any impairment losses.

Amortisation

Amortisation is charged on a systematic basis over the finite useful life of the intangible asset. The method of amortisation and the estimated useful life are reviewed at least annually. If there is any change in the expected pattern of consumption of future economic benefits, the amortisation method or useful life is adjusted prospectively.

Asset Class	Amortisation method and rate
Customer relationships	Over 10 years straight line basis

Tangible assets

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Tangible assets acquired on a business combination are recognised at fair value at the acquisition date.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives.

The depreciation method, useful life and residual value are reviewed at least annually and adjusted if necessary.

The following are the typical estimated useful lives for the various categories of tangible assets:

Asset Class	Depreciation method and rate
Freehold land	Not depreciated
ROU Assets	Shorter of lease term or useful life
Motor vehicles	Over 6 years straight line basis
Machinery & equipment	Over 8 years straight line basis
Tools & small equipment	Over 8 years straight line basis
Furniture & fittings	Over 8 years straight line basis
Office equipment	Over 5 years straight line basis
Computers and electronics	Over 5 years straight line basis

Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the best estimate of the expenditure required to settle the obligation and are reviewed at each reporting date.

A provision for an onerous contract is recognised when the unavoidable costs of fulfilling the contract exceed the expected economic benefits to be received under it. The provision is measured at the lower of the cost to fulfil the contract and any compensation of penalties arising from failure to fulfil it. Prior to recognising a provision, any impairment losses on assets related to the contract are recognised,

Contingent liabilities are not recognised but are disclosed unless the possibility of outflow of resources is remote.

Notes to the financial statements for the year ended 31 December 2024 *continued*

2.6 Critical accounting judgements and estimation uncertainty

Preparation of the Group's financial statements requires judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenditure.

These judgements and estimates are based on historical experience, external information and any other factors believed to be relevant and reasonable under the circumstances. Despite being under continuous review and being updated as necessary, actual results may differ from these estimates.

The estimates and assumptions that have the most significant risk of adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition

Judgement

The Group is required to make judgements that will determine how and when revenue is recognised in accordance with IFRS 15 – *Revenue from Contract with Customers*.

Significant judgements in applying the revenue recognition policy include, but are not limited to, the following:

- Identifying distinct performance obligations that should be accounted for separately in contracts
- Determining if the Group is acting as a principal or agent in the provision of any goods or services
- Determining if revenue should be recognised over time or at a point in time, based on when control of the goods or services is transferred to the customer
- Identifying appropriate revenue recognition methods for revenue to be recognised over time.

These judgements are evaluated based on the nature of the Group's business and the specific terms and conditions of each customer contract.

Estimation uncertainty

Significant estimates are required in:

- Determining transaction prices, especially in contracts with variable consideration
- Estimating contract progress, particularly for revenue recognised over time based
- Allocating the transaction price to performance obligations and estimating standalone selling prices or bundled goods or services.

Business combinations

Judgement

The Group is required to make judgements in the following areas for potential business combination transactions:

- Identifying the accounting acquiror under IFRS 3 – *Business Combinations* based on the relative size of combining entities, composition of board and senior management post-transaction and control over decision-making and voting rights
- Identifying and distinguishing intangible assets acquired from goodwill.
- Judging whether contingent consideration arrangements meet the definition of a liability or equity.

Estimation uncertainty

Significant estimation uncertainty arises in the following areas during a business combination:

- Measuring the fair value of identifiable assets acquired and liabilities assumed, particularly intangible assets such as customer relationships.
- The calculation of Goodwill which is based on the accuracy of other fair value estimates of assets acquired and liabilities assumed.
- Valuation techniques used for fair value estimation, which often require assumptions about future cash flows, discount rates, and useful lives.
- The probability of achievement of performance targets triggering contingent consideration in addition to timing and discounting of amounts to be recognised.

Goodwill and other intangible assets impairment

Judgement

There are two main areas of judgement relating to impairment assessments under IAS 36 – *Impairment of Assets*:

- Determining if indicators of impairment exist which would require an immediate impairment test for goodwill or other intangible assets
- The allocation of goodwill to cash-generating units (CGU) that will affect whether impairment is identified and to what extent.

Estimation uncertainty

Impairment assessments involve significant estimation uncertainty. Assets are tested by comparing their carrying amount with their recoverable amount, which is the higher of fair value less costs of disposal and value in use.

The value in use is based on discounted cash flow models that require key assumptions and estimates, including:

- Revenue growth, operating margin and capital expenditure assumptions
- Terminal growth rates used to extrapolate cash flows based on expected inflation and economic outlook.
- Discount rates and the Group's weighted average cost of capital, adjusted for the specific risks associated with each cash-generating unit

These estimates are inherently uncertain and sensitive to changes in assumptions. A reasonably possible change in one or more key inputs could lead to a materially different outcome in the impairment test. Where applicable, management performs and discloses sensitivity analysis to assess the impact of changes in key assumptions on the recoverable amount.

Notes to the financial statements for the year ended 31 December 2024 *continued*

Leases (IFRS 16)

Judgement

The Group exercises significant judgment in applying the principles of IFRS 16 – *Leases* to determine the appropriate accounting treatment for leases. The key judgments made include the following:

- Determining whether a contract is, or contains, a lease in accordance with IFRS 16.
- Determining the lease term, particularly regarding the likelihood of exercising renewal or termination option, based on operational plans and market conditions.
- Determining the incremental borrowing rate when the rate implicit in the lease is not readily available. (This is specific to the entity with the lease agreement).

Estimation uncertainty

- Business environment or economic conditions that influence decisions such as whether to extend or terminate a lease
- The incremental borrowing rate (IBR) to discount future lease payments where the interest rate is not implicit in the lease based on market interest rates and the entity credit risk.

Share based payments (IFRS 2)

Judgement

The Group has made significant judgements in applying IFRS 2 to its share-based payment arrangements. The key judgements include:

- Determining whether arrangements are equity-settled or cash-settled, based on the terms and substance of the transaction.
- Establishing the grant date, particularly where there is a time lag between board approval and communication to participants.
- Assessing whether the performance conditions are market-based or non-market based, as this affects both the valuation methodology and the recognition pattern.
- Evaluating modifications or cancellations of awards and their accounting treatment.

These judgements directly affect the timing, classification, and measurement of the expenditure recognised in the financial statements.

Estimation uncertainty

The measurement of share-based payments expenditure involves the use of valuation models that require a number of subjective assumptions and estimates which may have a material impact on the financial statements.

Key areas of estimation uncertainty include:

- Expected volatility which is estimated using historical share price data, but may not be indicative of future volatility.
- The expected life of the options which is based on historical exercise behaviour and management expectations.
- Risk-free interest rates which are based on current government bond yields applicable to the expected life of the options.
- Fair value at grant date which is determined using valuation techniques that are sensitive to input assumptions.

Any changes in these assumptions could significantly affect the amount of share-based payment expenditure recognised.

Income taxes (IAS 12)

Judgement

The determination of the Group's tax position involves complex judgements and estimates. Tax laws are subject to interpretation and outcomes may differ from the amounts recorded. The main areas of judgement in accounting for income taxes include:

- Recognition of Deferred Tax Assets in relation to losses based on the expectation of sufficient taxable profits being generated.
- The classification of transactions for tax purposes (such as R&D credits)
- Assessment of probability of availability of future taxable profits against which to utilise tax losses.
- Assessment of uncertain tax positions
- Application of OECD guidelines and local tax law for intra-group transactions and transfer pricing.

Estimation uncertainty

The most significant sources of estimation uncertainty in relation to income taxes are forecasts of future taxable profits and the assumption that current enacted tax rates will remain unchanged when temporary differences reverse, and deferred tax assets and liabilities are settled.

3. Revenue

The Group derives revenue from the transfer of goods and services over time, and at a point in time. (2023: at a point in time)

	2024 £'000	2023 £'000
Rendering of services from contracts with customers over time – continuing operations	1,250	–
Rendering of services from contracts with customers at a point in time – continuing operations	1,387	–
Rendering of services from contracts with customers at a point in time– discontinued operations	40	606
Revenue – continuing	2,637	–
Revenue – discontinued	40	606

Revenue is disaggregated further in Note 4, which is the level at which it is analysed within the business. Further information on the timing of revenue recognition is included in Note 2.

Notes to the financial statements **for the year ended 31 December 2024** *continued*

4. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision-maker ("CODM") as required by IFRS 8 'Operating Segments'. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Group is organised into separate legal entities, each of which operates in a distinct market segment and performs a specific function. The CODM reviews financial performance and allocates resources at the entity level. As such, each legal entity is considered an operating segment under IFRS 8.

In 2024 there were two reportable operating segments, Cosgrove & Drew Ltd with a focus on provision of mechanical and electrical engineering services across the commercial and industrial sectors, and South West Heating Services Limited with a focus on provision of domestic maintenance services and heating installations.

In 2023 there was one reportable operating segment, the development and commercialisation of clean technologies.

There were no revenue transactions between operating segments in 2024 or 2023.

Segmental revenue and gross profit:

	Revenue		Results	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Continuing operations				
Commercial and Industrial mechanical and electrical engineering services	2,169	–	199	–
Domestic maintenance and heating installations	468	–	149	–
Development and commercialisation of clean technologies	–	–	–	–
Discontinued operations				
Development and commercialisation of clean technologies	40	606	(28)	(258)
Segmental revenue/profit – continuing operations	2,637	–	348	–
Segmental revenue/profit – discontinued operations	40	606	(28)	(258)
Head office costs – continuing operations			(1,533)	(743)
Head office costs – discontinued operations			(49)	(473)
Operating loss before acquisition and disposal costs – continuing operations			(1,185)	(743)
Operating loss before acquisition and disposal costs – discontinued operations			(77)	(731)
Acquisition related costs – continuing operations			(1,622)	–
Loss on disposal of discontinued operations			(58)	–
Other income / expenses – continuing operations			1	(557)
Other income – discontinued operations			–	–
Operating loss – continuing operations			(2,806)	(1,300)
Operating loss – discontinued operations			(135)	(731)
Finance income – continuing operations			39	3
Finance income – discontinued operations			–	–
Finance costs – continuing operations			(113)	(47)
Finance costs – discontinued operations			–	(14)
Other income – continuing operations			1	–
Loss before taxation – continuing operations			(2,879)	(1,344)
Loss before taxation – discontinued operations			(135)	(745)
Taxation – continuing operations			195	–
Loss for the year from continuing operations			(2,684)	(1,344)
Loss for the year from discontinued operations			(135)	(745)
Loss for the year			(2,819)	(2,089)

Notes to the financial statements for the year ended 31 December 2024 *continued*

Segmental assets and liabilities

	Assets		Liabilities	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Commercial and Industrial mechanical and electrical engineering services	5,654	–	(3,178)	–
Domestic maintenance and heating installations	1,774	–	(370)	–
Development and commercialisation of clean technologies	–	962	–	(480)
Segment assets / liabilities	7,428	962	(3,548)	(480)
Unallocated assets / liabilities	1,761	85	(1,665)	(665)
	9,189	1,047	(5,213)	(1,145)

Unallocated assets predominantly relate to head office cash balances and prepayments. (2023: cash balances, VAT and prepayments).

Unallocated liabilities include contingent consideration and head office trade payables and accruals. (2023: Loan notes and accrued interest, head office trade payables and accruals).

Segmental depreciation and amortisation

	Non-current asset additions		Depreciation (Fixed assets and ROU)		Amortisation	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Commercial and Industrial mechanical and electrical engineering services	–	–	(32)	–	(19)	–
Domestic maintenance and heating installations	60	–	(8)	–	(15)	–
Development and commercialisation of clean technologies	–	433	(40)	(219)	–	–
Segment assets / liabilities	60	433	(80)	–	(33)	–
Unallocated assets / liabilities	4	1	(1)	(4)	–	–
Total	64	434	81	(223)	(33)	–
Continuing	64	1	(41)	(4)	(33)	–
Discontinued	–	433	(40)	(219)	–	–

Geographical segments

Revenue location of generation:

	2024 £'000	2023 £'000
United Kingdom – continuing operations	2,637	–
Italy – discontinued operations	40	606

Following the disposal of Verditek Solar srl on 29 February 2024, all of the Group's operations and revenue-generating activities are conducted in the United Kingdom. As such, no geographical segment disclosures are provided, as the Group operates entirely within one geographic area. All non-current assets are also located within the United Kingdom.

Country of Customer

The Group had revenues from customers in the following countries that were determined to be material:

Country	Revenue	
	2024 £'000	2023 £'000
Continuing operations		
United Kingdom – continuing operations	2,637	–
Discontinued operations		
Belgium	–	176
Sweden	–	104
Czechia	–	79
Denmark	1	73
Germany	11	37
UK	–	17
Rest of the world	28	120
Total	2,677	606
Revenue – continuing	2,637	–
Revenue – discontinued	40	606

Customer concentration

In 2024 there were 2 customers that individually accounted for over 10% of the Group's revenue. The revenue, derived from the two single external customers, was £0.40m and £0.38m respectively, both amounts are included in the revenue of Cosgrove & Drew Ltd.

In 2023 there were 3 customers that individually accounted for over 10% of the Group's revenue. £0.18m, £0.1m and £0.08m included in revenue, from development and commercialisation of clean technologies, were derived from single external customers.

Notes to the financial statements for the year ended 31 December 2024 *continued*

5. Other operating income and expenses

Operating profit from continuing operations is stated after charge:

Breakdown of expenses by nature		2024	2023
		£'000	£'000
<i>Cost of Sales:</i>			
Materials		(720)	(536)*
Employee costs	5(a)	(867)	(234)*
Agency labour		(768)	–
Other		(174)	(94)*
Onerous contracts utilisation**		240	–
Total cost of goods sold – continuing operations		(2,289)	–
Total cost of goods sold – discontinued operations		(67)	(864)*
<i>Administrative expenses:</i>			
Employee costs	5(a)	(548)	(39)
Training & development		(18)	–
Accommodation		(35)	(17)
Legal & professional		(252)	(277)
Audit & accountancy		(294)	(221)
IT & communication		(82)	(8)
Insurance		(72)	(29)
Repairs & maintenance		(24)	(3)
Travel & entertainment		(43)	(119)
Acquisition costs		(1,622)	–
Depreciation – continuing operations		(40)	(4)
Depreciation – discontinued operations		(219)*	
Amortisation		(33)	–
Bad debts		(28)	
Other		(63)	(26)
Other – discontinued operations		–	(254)*
Total cost of administrative expenses – continuing operations		(3,154)	(743)
Total cost of administrative expenses – discontinued operations		(49)	(473)*

* Discontinued values

** The Group utilised a provision of £240k relating to an onerous contract provided for at the point of acquisition in C&D.

Other operating income and expenses

	2024 £'000	2023 £'000
Other income / (expenses)		
Apprenticeship income and minor loss on disposal of fixed asset	1	–
Impairment of earn-out receivable (ICSI)	–	(557)
	1	(557)

In 2023, the Company fully impaired earn-out payments related to its disposal of its investment in Industrial Climate Solutions (ICSI), previously recognised at a fair value of £556,783 due to being advised by the ICSI Sellers' Committee that the earn-out targets were unlikely to be met.

The share purchase agreement relating to the transfer of Verditek Italy srl, on 29 February 2024, to Verditek Solar Limited, included rights to the ICSI receivable.

5(a) Staff costs

Average monthly number of persons employed by the Group during the year:

	2024 No.	2023 No.
Directors and key management personnel	5	4
Administration	4	1
Operations	19	6
	28	11

Staff costs and key management personnel compensation

	2024 £'000 KMP	2024 £'000 KMP	2023 £'000 KMP	2023 £'000 Total
Wages & salaries and fees	328	1,236	207	305
Social security contributions	36	126	4	12
Pension costs (defined contribution schemes)	10	27	–	32
Share-based payment expenses	23	23	(154)	(154)
Other short-term employee benefits	3	3	–	–
Total employee benefits	400	1,415	57	195

Consisting of:

Employee costs included in direct costs	867	234
Employee costs included in administrative expenses	548	(39)
	1,415	195

Directors of Earnz Plc

	2024 £'000	2023 £'000
Aggregate emoluments	212	188
Company contributions to money purchase pensions	8	–
Share-based payment charge	23	(154)
Total directors' remuneration	243	34

Detailed remuneration disclosures are provided in the remuneration report.

Notes to the financial statements for the year ended 31 December 2024 *continued*

Auditor remuneration

	2024 £'000	2023 £'000
Fees payable to the Company's auditors for the audit of the Company's and Group financial statements	161	73
Fees payable to the company's auditors and its associates for other services*	433	–
	594	73

*Non-audit fees, included in acquisition costs, relate to financial due diligence on the two acquisitions completed in the year to 31 December 2024 in addition to a further acquisition that was aborted.

6. Finance costs

	2024 £'000	2023 £'000
Finance income		
Interest income on bank deposits	39	3
Total finance income	39	3
Finance costs		
Interest expense on loans, borrowings and hire purchase	(31)	(31)
Interest expense on lease liabilities	(12)	–
Invoice factoring costs	(39)	–
Amortisation of bond issue costs (see Note 13 Discontinued operations)	–	(16)
Unwinding of interest on contingent consideration (see Note 12-Business combinations)	(18)	–
Bank charges	(5)	–
Other finance costs including foreign exchange gains and losses	(8)	–
Total finance costs	(113)	(47)
Net finance costs	(74)	(44)

7. Taxation

Tax charged in the consolidated statement of profit or loss is as follows:

Current tax

	2024 £'000	2023 £'000
Tax on profits for the year	–	–
Adjustments in respect of prior years	–	–
Total current tax in profit or loss	–	–

Deferred tax

	2024 £'000	2023 £'000
Originating and reversal of timing differences	195	–
Total deferred tax credit in profit or loss	195	–
Total tax credit in profit or loss	195	–

Reconciliation of tax charge

The tax charge in the consolidated profit or loss statement for the year is lower (2023: lower) than the average standard rate of corporation tax in the UK of 25% (2023:19%). The differences are reconciled below:

	2024 £'000	2023 £'000
Current tax		
Loss before taxation:	(2,879)	(2,089)*
Profit at UK corporation tax rate of 25% (2023:19%)	(720)	(397)
Non-deductible expenses	454	59
Difference in overseas tax rate	–	(5)
Difference between depreciation and capital allowances	(15)	–
Unrecognised tax losses carried forward	281	343
Tax charge in the profit or loss statement	–	–

*Include the discontinued operations

Deferred tax

Deferred tax credited in the consolidated statement of profit or loss is as follows:

	2024 £'000	2023 £'000
Deferred tax		
Recognition of previously unrecognised deferred tax assets	187	–
Reversal of temporary differences	8	–
Tax charge in the profit or loss statement	195	–
Total tax charge in the profit or loss statement	195	–

Deferred tax included in the balance sheet is as follows:

	2024 £'000	2023 £'000
Deferred tax assets		
Deferred tax liabilities recognised on business combinations	(65)	–
Recognition of deferred tax assets in the year	212	–
Utilisation of deferred tax assets in year	(25)	–
Reversal of temporary differences	8	–
Total Deferred tax assets	130	–

Deferred tax assets and liabilities are offset and reported net where appropriate and permitted.

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable.

All deferred tax movements arise from losses brought forward, and the origination and reversal of temporary differences.

Deferred taxes at the balance sheet date have been measured using the appropriate and substantively enacted tax rates at the date

At 31 December 2024, the Group has unrecognised deferred tax assets of £1.68m.

Notes to the financial statements for the year ended 31 December 2024 *continued*

8. Earnings per share

	2024 £'000	2023* £'000
Loss for the year attributable to equity holders of Parent Company – continuing	(2,684)	(1,344)
Loss for the year attributable to equity holders of Parent Company – discontinued	(135)	(745)
Weighted average number of ordinary shares – basic and diluted	61,388	4,789*
Basic and diluted loss per share – continuing operations	(0.044p)	(0.281p)
Basic and diluted loss per share – discontinued operations	(0.002p)	(0.155p)
Basic and diluted loss per share	(0.046p)	(0.436p)

*On 4 April 2024 there was a share consolidation of every 100 ordinary shares of 0.04 pence each into one new ordinary share of 4 pence each. The weighted average number of shares in the year to 31 December 2024 and the comparative weighted average number of shares at 31 December 2023 have been retrospectively adjusted.

The effects of anti-dilutive potential ordinary shares are ignored in calculating diluted EPS.

As the Group incurred a loss in the current year and the prior year, the impact of potential ordinary shares is also anti-dilutive and therefore excluded from the diluted earnings per share calculation.

Therefore, basic and diluted loss per share is the same for the year ended 31 December 2024, this was also the case for the year ended 31 December 2023.

9. Property, plant and equipment

	Land and buildings £'000	Office equipment £'000	Motor Vehicles £'000	Plant & Machinery £'000	Total £'000
Cost					
At 1 January 2024	–	5	–	302	307
Additions	–	4	59	1	64
Arising on acquisition	42	28	176	13	259
Disposals	–	(5)	(4)	(298)	(307)
Foreign exchange	–	–	–	(4)	(4)
At 31 December 2024	42	32	231	14	319
Depreciation					
At 1 January 2024	–	(2)	–	(207)	(209)
Charged during the year	(3)	(3)	(5)	(6)	(17)
Disposals	–	2	3	209	214
Foreign exchange	–	–	–	3	3
At 31 December 2024	(3)	(3)	(2)	(1)	(9)
Net book value at 31 December 2024	39	29	229	13	310

	Land and buildings £'000	Office equipment £'000	Motor Vehicles £'000	Plant & Machinery £'000	Total £'000
Cost					
At 1 January 2023	82	6	–	648	736
Additions	–	1	–	1	2
Disposals	(80)	(2)	–	(335)	(417)
Foreign exchange	(2)	–	–	(12)	(14)
At 31 December 2023	–	5	–	302	307
Depreciation					
At 1 January 2023	(50)	(3)	–	(487)	(540)
Charged during the year	(3)	(1)	–	(46)	(50)
Disposals	76	2	–	291	369
Foreign exchange	(23)	–	–	35	12
At 31 December 2023	–	(2)	–	(207)	(209)
Net book value at 31 December 2023	–	3	–	95	98

10. Right-of-use assets

	Land and buildings £'000	Motor £'000	Total £'000
Cost			
At 1 January 2024	432	–	432
Arising on acquisition	108	140	248
Disposals	(427)	–	(427)
Foreign exchange	(5)	–	(5)
At 31 December 2024	108	140	248
Depreciation			
At 1 January 2024	(126)	–	(126)
Charged during the year	(44)	(20)	(64)
Disposals	160	–	160
Foreign exchange	2	–	2
At 31 December 2024	(8)	(20)	(28)
Net book value at 31 December 2024	100	120	220

Notes to the financial statements for the year ended 31 December 2024 *continued*

	Land and buildings £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2023	68	–	68
Additions	432	–	432
Disposals	(67)	–	(67)
Foreign exchange	(1)	–	(1)
At 31 December 2023	432	–	432
Depreciation			
At 1 January 2023	(20)	–	(20)
Charged during the year	(173)	–	(173)
Unwind of discount of lease deposit	(1)	–	(1)
Disposals	67	–	67
Foreign exchange	1	–	1
At 31 December 2023	(126)	–	(126)
Net book value at 31 December 2023	306		306

11. Goodwill and intangible assets

	Goodwill £'000	Customer relationships £'000	Total £'000
Cost			
At 1 January 2024	–	–	–
Additions	3,577	1,036	4,613
At 31 December 2024	3,577	1,036	4,613
Amortisation			
At 1 January 2024	–	–	–
Charged during the year	–	(33)	(33)
At 31 December 2024	–	(33)	(33)
Net book value at 31 December 2024	3,577	1,003	4,580

The group did not hold any intangible assets in the year to 31 December 2023.

In 2024 the Group made acquisitions resulting in goodwill of £3.58m and £1.04m of intangible assets. Intangible assets arose solely on the business combinations which are detailed below.

Customer relationships are amortised based on their estimated useful life of 10 years. No intangibles held are considered to have an indefinite useful life.

Amortisation charges in the year are included in other expenses in the profit and loss statement.

12. Business combinations

Cosgrove & Drew Ltd

On 29 August 2024, Earnz Plc, through its intermediate holding company, Earnz Holdings Limited, acquired 100% of the issued share capital of Cosgrove & Drew Ltd.

Initial consideration comprised cash of £0.41m and £0.3m consideration shares in Earnz Plc. Discounted contingent consideration of up to £1.043m (£1.226m undiscounted), payable in shares, is dependent on the achievement of post-transaction earnings targets and ongoing employment of the managing directors. The amount will become payable following confirmation of exceeding an annual adjusted EBITDA of £0.5m, to 31 August each year, until the maximum consideration is reached. The fair value of the contingent consideration was estimated by calculating the present value of future expected cash flows based on a discount rate of 6.2%.

This acquisition represents a strong strategic fit, enabling immediate entry into the maintenance and installation of energy efficient products market, in commercial and industrial sectors.

Goodwill of £2.953m is attributable to the team acquired, their deep sector knowledge and strategic benefits arising from integrating their expertise into the Group. It will not be deductible for tax purposes.

South West Heating Services Limited

On 29 August 2024, Earnz Plc, through its intermediate holding company, Earnz Holdings Limited, acquired 100% of the issued share capital of South West Heating Services Limited.

Initial consideration comprised £0.78m and £0.35m consideration shares. Discounted contingent consideration of up to £0.27m (£0.30m undiscounted) payable, in cash or shares, is dependent on the achievement of post-transaction earning targets and ongoing employment of the managing director. The amount will become payable following confirmation of achieving an annual adjusted EBITDA of £0.35m in each of the two consecutive 12 month periods following the acquisition. The fair value of the contingent consideration was estimated by calculating the present value of future expected cash flows based on a discount rate of 6.2%.

This acquisition is a great strategic fit, providing access into the domestic maintenance and installation market covered by national insurers, a client base with significant barriers to entry.

Goodwill of £0.62m is attributable to the team acquired, their sector expertise and long-standing reputation in the industry. It will not be deductible for tax purposes.

As at 31 December 2024, the full discounted contingent consideration, including the unwinding of the discount to the year end, has been recognised in line with management's expectation that the targets will be achieved by both entities.

Notes to the financial statements for the year ended 31 December 2024 *continued*

The following table summarises the consideration paid, book value and the fair value of assets acquired, and the liabilities assumed.

	C&D Ltd Book value £'000	C&D FV Adjustment £'000	C&D FV £'000	SWH Ltd Book value £'000	SWH FV Adjustment £'000	SWH FV Adjustment £'000
Intangible assets	–	576	576	–	460	460
Property, plant and equipment	203	–	203	56	–	56
Right-of-use assets	208	–	208	40	–	40
Inventories	40	–	40	114	–	114
Trade and other receivables	1,780	–	1,780	104	–	104
Cash and cash equivalents	41	–	41	350	–	350
Deferred tax asset	194	–	194	–	–	–
Total assets	2,466	576	3,042	664	460	1,124
Trade and other payables	(2,144)	–	(2,144)	(166)	–	(166)
Lease liabilities	(231)	–	(231)	(37)	–	(37)
Provisions	(240)	–	(240)*	–	–	–
Borrowings	(1,472)	–	(1,472)	(40)	–	(40)
Deferred tax liabilities	–	(144)	(144)	–	(115)	(115)
Total Liabilities	(4,087)	(144)	(4,231)	(243)		(358)
Net identifiable assets acquired	(1,621)	432	(1,189)	421	345	766
Goodwill			2,953			624
Total consideration			1,764			1,390
Less consideration paid in shares			(316)			(343)
Less contingent consideration			(1,043)			(275)
Consideration paid in cash			405			772

* At the date of the acquisition, Cosgrove & Drew had recognised an onerous contract provision of £240k in respect of two long-term contracts, where forecasted costs to complete exceeded expected revenues, in line with IAS 37. During the 4-month period to 31 December 2024, the Group exited one contract and completed the other. The costs to terminate the contracts were fully offset by the utilisation of the £240k onerous contract provision. As a result, no net impact was recognised in the income statement in respect of either onerous contract in the period from acquisition to 31 December 2024.

As at 31 December 2024 no onerous contract provision is recognised.

The table below details the revenue and net profit after tax contributed to the Group since the acquisition date:

	Cosgrove & Drew Ltd £'000	South West Heating Limited £'000
Revenue contributed since acquisition	2,169	468
Net (loss)/profit after tax since acquisition	(117)	29

The table below sets out the net cash outflow of the acquisitions:

	2024 £'000
Cosgrove & Drew Ltd cash consideration	405
South West Heating Services Limited cash consideration	772
	1,177
Less: cash acquired	(391)
Less: Non-cash transaction offsetting amount owed by owner	(39)
Net outflow of cash – investing activities	747

Acquisition related costs of £1.62m, predominantly relating to the financial and legal due diligence on the two acquisitions noted above, in addition to one further aborted acquisition, are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

13. Discontinued operations

On 29 February 2024, the company completed the disposal of Verditek Solar srl, (100% wholly owned sole operating subsidiary in Italy) in return for the satisfaction of the outstanding secured convertible loan notes and accrued interest totalling £528,340, to Verditek Solar Limited, a company owned by the convertible loan noteholders.

The results for the discontinued operations were not previously classified as discontinued or held for sale in the 31 December 2023 year-end financial statements as the criteria for such classification were not met as at that date.

13a. Financial performance and cash flow information

The financial performance and cashflow information presented below are for the two months ended 29 February 2024 and the year ended 31 December 2023.

	2024 £'000	2023 £'000
Results of discontinued operations		
Revenue	40	606
Expenses	(117)	(1,351)
Post tax results from operating activities	(77)	(745)
Loss on sale of discontinued operation	(58)	–
Loss from discontinued operation, net of tax	(135)	(745)
Loss attributable to:		
Equity owners of the parent company	(135)	(745)
Earnings per Share		
Basic and diluted	(0.002p)	(0.155p)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Translation of foreign operations	9	(17)
Total comprehensive loss from discontinued operations	(126)	(762)
Cashflows		
Net cash inflow / (outflow) from operating activities	31	(40)
Net cash inflow/(outflow) from investing activities	(162)	–
Net cash inflow / (outflow) from financing activities	(28)	–
Net decrease in cash generated by discontinued operations	(159)	(40)
Cash and cash equivalents at beginning of period	7	
	(152)	
Costs of disposal paid in cash	(152)	–
Cash and cash equivalents disposed of	(10)	–
Cash cost of disposal	(162)	–

Notes to the financial statements for the year ended 31 December 2024 *continued*

13b. Details of the sale of the subsidiary

	Verditek Solar srl £'000
Property, plant and equipment	82
Right-of-use assets	267
Inventories	414
Trade and other receivables	147
Cash and cash equivalents	10
Trade and other payables	(211)
Lease liabilities	(270)
Provisions	(30)
Carrying amount of net assets sold	409
Non-cash consideration – convertible loan principal and interest satisfied	528
Cost of disposal paid in cash	(152)
Carrying amount on net assets on disposal	(409)
Carrying amount of Company plant & equipment on disposal	(10)
Foreign exchange including reversal of translation reserve	(15)
Loss on sale of discontinued operation	(58)

14. Impairment testing of goodwill and intangibles

The Group's intangible assets consist solely of customer relationships which are subject to amortisation over their useful economic lives in accordance with IAS 38. Impairment testing of these intangible assets is only carried out if there is an indicator of impairment. Based on stable performance of the related businesses and the absence of adverse market or operational conditions, management has concluded there are no indicators of impairment and therefore no impairment test has been carried out in relation to the intangible assets.

The Group performs an annual goodwill impairment test at the year-end date or at any point throughout the year, if there are indicators of impairment in accordance with IAS 36 Impairment of Assets.

Goodwill is allocated to cash-generating units ('CGUs') that are expected to benefit from the business combination in which the goodwill arose.

As at 31 December 2024, the carrying amount of goodwill acquired through business combinations of £3,577,256 is allocated to the following CGUs:

	2024 £'000
Cosgrove & Drew Ltd ('C&D')	2,953
South West Heating Service Limited ('SWH')	624
	3,577

The recoverable amount of each CGU is determined based on a value-in-use calculation. The value-in-use is derived from projected cash flows based on financial budgets approved by the Directors covering a 5 year period. The Directors consider these estimates to be reasonably achievable based on current performance. Cash flows beyond that period are extrapolated using a terminal growth rate that reflects expected business long-term growth rates.

Key assumptions used in the value-in-use calculations include:

- Revenue growth rates : 5%
- EBITDA margins: 14%-17% (SWH) / 30%-32% (C&D)
- Pre-tax discount rate: 18.59% (SWH) / 25.35% (C&D)
- Terminal growth rate: 2%

These assumptions reflect past experience, current operating performance, and external market data.

Based on the impairment tests performed, no impairment of goodwill was identified for the year ended 31 December 2024. (2023: none).

Sensitivity Analysis:

Management has performed sensitivity analysis on key assumptions as follows:

For both CGUs a base case and two further scenarios were equally weighted to provide a sensitised scenario. The assumed independent sensitivities in the scenarios were decreasing revenue by 10% and increasing Cost of sales and operating expenses by 10%.

15. Inventories

	2024 £'000	2023 £'000
Finished goods (cost)	–	76
Finished goods (fair value less costs to sell)	–	208
Raw materials	145	135
	145	419

Inventories of £414k comprising £76k finished goods, £208k finished goods (fair value less costs to sell) and £135k raw materials were deconsolidated following the disposal of the Verditek Solar srl on 29 February 2024.

On 29 August 2024, inventories with a combined value of £154k, comprising raw materials only, were acquired on the acquisition of Cosgrove & Drew Ltd and South West Heating Services Limited.

During the period £32,061 inventories relating to revenue were recognised as a cost in the P&L (2023: £582,830). In 2023 there was also a release of a provision against inventories to write-back defective and slow-moving stock, £47,051, upon the sale of old stock panels.

Notes to the financial statements for the year ended 31 December 2024 *continued*

16. Financial assets and financial liabilities

The group holds the following financial instruments:

		2024 £'000	2023 £'000
Financial assets			
Cash and cash equivalents	(i)	1,965	54
Trade and other receivables	(ii)	1,125	30
Contract assets	(iii)	266	–
Other current assets	(iv)	29	–
Total current financial assets		3,385	84
Non-financial current assets	(iv)	313	559
Total current assets		3,698	643
Financial liabilities			
		£'000	£'000
Trade and other payables	(v)	(1,533)	(274)
Contingent consideration	(vi)	(1,335)	–
Loans and other borrowings (incl. Hire Purchase)	(vii)	(772)	(523)
Loans and other borrowings – Factoring liabilities	(viii)	(599)	–
Lease liabilities	(ix)	(245)	(308)
Total financial liabilities		(4,484)	(1,105)
Non-financial liabilities	(x)	(478)	(40)
Total liabilities		(4,962)	(1,145)

Fair values

In accordance with IFRS 13, financial instruments measured at fair value are classified within a three-level hierarchy based on the observability of inputs used in their valuation. This hierarchy provides transparency regarding the reliability and source of data used to determine fair values:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices that are observable, either directly or indirectly

Level 3: Unobservable inputs requiring significant management judgement and estimation.

The Group's only financial instrument measured at fair value on a recurring basis is the contingent consideration related to business combinations. This financial instrument is classified as Level 3 due to reliance on unobservable inputs, including estimates of future performance and probabilities.

16(i). Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and short-term deposits with original maturities of three months or less.

		2024 £'000	2023 £'000
Unrestricted cash and bank		1,382	54
Restricted cash (VCT funds)		583	–
Total	(i)	1,965	54

The restricted cash balance of £0.6m represents funds raised through Venture Capital Trust (VCT) investments. These funds are subject to investment restrictions under VCT regulations and are held in segregated accounts pending deployment in qualifying investments. The Group is not permitted to use these funds for general corporate purposes until they are invested in accordance with VCT rules.

16(ii). Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	995	74
Less: Loss allowance	(40)	(44)
Retentions	170	–
	(ii) 1,125	30

The Group's trade receivables are all denominated in pounds sterling (£) therefore there is no foreign exchange risk on realisation of receivables.

Trade receivables are non-interest bearing and generally on terms payable within 60 days. As at 31 December 2024, the allowance for impairment of trade receivables was £40k (2023: £44k).

The Group applies the IFRS 9 simplified approach to measuring expected credit losses. The allowance is based on management experience and judgement, adjusted for forward-looking macroeconomic information where necessary.

The following table shows the exposure to credit risk and expected credit losses of trade receivables as at 31 December:

	ECL base rate %	Adjusted ECL rate* %	Gross carrying amount £'000	Expected loss allowance £'000	Net carrying amount £'000	ECL loss rate %	Gross carrying amount £'000	Expected loss allowance £'000	Net carrying amount £'000
0-30 days	1%	1.8%	831	(15)	816	0%	15	–	15
31-60 days	3%	0.5%	98	0	97	0%	13	–	13
61-90 days	10%	12.9%	5	(1)	4	0%	–	–	–
Over 90 days	100%	39%	61	(24)	38	96%	46	(44)	2
			995	(40)	955		74	(44)	30

* The ECL rates have been adjusted where appropriate to reflect actual cash receipts received and known bad debt right offs after the year-end but prior to reporting finalisation. These adjustments were made to better reflect the recoverability of aged balances that are presented in the table above.

Movements in the loss allowance for trade receivables were as follows:

	2024 £'000	2023 £'000
At 1 January	44	73
Release of loss allowance	(44)	–
Receivable written off during the year as uncollectible	–	(46)
Increase in loss allowance	40	17
Foreign exchange differences	–	–
At 1 December	40	44

Notes to the financial statements for the year ended 31 December 2024 *continued*

16(iii). Contract assets

Contract assets represent amounts due from customers for major project work completed but not yet invoiced at the reporting date. These include:

Revenue accruals for performance obligations satisfied over time where the right to payment was not unconditional at the year-end date; and

- Retention amounts contractually withheld by customers pending defect liability periods

As at 31 December 2024, contract assets were as follows:

Description		2024 £'000	2023 £'000
Other current assets – accrued revenue		266	–
Total contract assets	(iii)	266	–

- Contract assets relating to accrued revenue are expected to be invoiced and collected within 2 months. Contract assets relating to retentions are typically invoiced at the end of a major project (50%) and on the first anniversary of the end of the major project (50%) The expectation is that materially all retention balances will be invoiced and collected within 12 months.

16(iv). Other current assets

		2024 £'000	2023 £'000
Other current assets (incl. staff advances and supplier rebates)		29	–
Total other current assets (financial assets)	(iv)	29	–
Advances to suppliers and customer deposits		–	67
Inventories (see Note 15)		145	419
Other current assets – prepayments		127	34
Other current assets – VAT and other indirect taxes		41	39
Total other current assets (non-financial assets)	(iv)	313	559
Total other current assets (excluding inventories)	(iv)	197	140

16(v). Trade and other payables

		2024 £'000	2023 £'000
Trade payables		1,224	173
Accruals		288	72
Deferred revenue		–	10
Other financial liabilities		21	19
	(v)	1,533	274
Trade and other payables – non financial liabilities – see Note 16 (x)		414	10
Total trade and other payables	(v)	1,947	284

16(vi). Contingent consideration

As part of the consideration transferred for the acquisition of Cosgrove & Drew Ltd and South West Heating Services Limited, the Group may be required to make additional payments to the former shareholders, contingent on the future performance of the acquired businesses.

There is no specified timeframe for the contingent consideration arrangement with C&D, payments will become due only on the achievement of defined performance targets. For SWH, the additional amount payable is contingent on certain performance milestones over a period of 2 years from the date of acquisition.

At the acquisition date, the fair value of total contingent consideration was estimated to be £1.3m (2023: none) and has been included in the total consideration transferred. The fair value was determined using a probability-weighted expected payment approach and is classified as a financial liability measured at fair value through profit or loss.

Subsequent changes in the fair value of the contingent consideration that do not relate to measurement period adjustments are recognised in profit or loss in accordance with IFRS 9.

The key assumptions used in estimating the fair value include:

- Estimated probability of achieving performance targets;
- Forecasts of EBITDA of the acquired businesses;
- A discount rate of 6.21% applied to expected future payments.

		2024 £'000	2023 £'000
Movement in contingent consideration			
Opening balance at 1 January		–	–
Addition on acquisition of C&D and SWH		1,317	–
Unwinding of discount		18	–
Closing balance at 31 December	(viii)	1,335	–
Included in current liabilities		180	–
Included in non-current liabilities		1,155	–

16(vii). Loans and Borrowings

		2024 £'000	2023 £'000
Included in current liabilities		1,110	–
Included in non-current liabilities		261	523
Total loans and borrowings		1,371	523

Notes to the financial statements

for the year ended 31 December 2024 *continued*

	2024 £'000	2023 £'000
Maturity analysis – contractual undiscounted liability at period end		
On demand	307	–
Less than one year	259	–
One to two years	216	523
Two to five years	68	–
More than five years	–	–
Total undiscounted cash flows	850	523
Total discounted borrowings	772	523
Current – related party loan	225	–
Current – credit cards	82	–
Current – bank borrowings	158	–
Current – HP	46	–
Non-current – bank borrowings	200	–
Non-current -HP	61	523
	772	523
Current – Invoice factoring – see Note 16(ix)	599	–
Total loans and borrowings	1,371	523

Hire purchase and finance lease contracts are secured against the assets to which they relate.

The total Group cash outflow relating to repayment of loans and HP in the year was £89k (2023: £nil)

	2024 £'000	2023 £'000
Amounts recognised in the consolidated income statement		
Interest on borrowings	31	31

16(viii). Factoring liability

During the year, a subsidiary of the Group entered into an invoice factoring agreement. Legal ownership of the trade receivables ledger was transferred to the factor, but the subsidiary retains responsibility for the credit control and remains exposed to material credit risk and late payment risk. As such, the liability has been recognised in accordance with IFRS 9 and the related receivables remain on the balance sheet.

As at 31 December 2024, the carrying amount of factored receivables that remain on the balance sheet was £0.9m with a related liability of £0.6m. In addition, the debtor balance used as a basis for drawdowns, included £0.2m relating to project applications yet to be invoiced.

Associated finance cost of the invoice factoring facility of £0.04m for the 4m period from acquisition are recognised in finance costs in the profit or loss account.

16(ix). Lease liabilities – Group

The Group has recognised lease liabilities under IFRS 16 for property and vehicle leases. These liabilities represent the present value of future lease payments, discounted using an entity specific incremental borrowing rate. The IBR reflects the rate at which the entity would obtain borrowings over a similar term, with similar security, in a comparable environment.

The table below includes the total contractual payments due on leases held by the Group.

	2024 £'000	2023 £'000
Maturity analysis – contractual undiscounted cash flows		
Less than one year	108	229
One to two years	88	–
Two to five years	84	95
More than five years	–	–
Total undiscounted cash flows	280	324
Total discounted lease liabilities (vii)	245	308
Included in current liabilities	92	214
Included in non-current liabilities	153	94

The total Group cash outflow for leases during 2024 was £73k (2023: £163k)

	2024 £'000	2023 £'000
Amounts recognised in the consolidated income statement		
Interest on lease liabilities – continuing operations	31	–
Interest on lease liabilities – discontinued operations	3	14
Expenses relating to short-term leases	4	5

The Group manages lease-related liquidity risk by maintaining adequate cash reserves and continuous forecasting of its lease payment obligations. Management believes the Group has sufficient resources to meet its lease obligations as they fall due.

16(x). Other liabilities (non-financial liabilities)

	2024 £'000	2023 £'000
Payroll taxes	288	10
VAT and other indirect taxes	115	–
Pension accrual	11	–
Trade and other payables	414	10
Corporation tax	64	–
Provisions (see Note 17)	–	30
Total other liabilities (non-financial)	478	40

Notes to the financial statements for the year ended 31 December 2024 *continued*

17. Provisions

The Group recognises provisions when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of that obligation.

In accordance with IAS 37, a provision for an onerous contract is recognised when:

The contract is non-cancellable, or cancellation would incur significant penalties, and

- The unavoidable costs of meeting the obligations exceed the economic benefits expected to be received.
- All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

	2024 £'000	2023 £'000
Opening balance at 1 January	(30)	–
Warranty provision	–	(30)
Onerous contracts recognised on acquisitions	(240)	–
Utilised	270	–
Total provisions	–	(30)

On acquisition the Group recognised a provision of £240k in relation to two long-term contracts where forecast costs to fulfil or terminate the contract exceeded the expected revenue. In the period to 31 December 2024, one contract was settled through termination and agreement with the counterparty, and the other contract was completed in full, resulting in the fulfilment of the Group's obligations under the arrangement and the provision was utilised accordingly.

In 2023 a warranty provision was recognised based on historical panel warranty claim rates, at 5% of revenue. The provision was utilised in 2024 prior to the disposal of the subsidiary.

18. Share capital

	31 December 2024		31 December 2023	
	No.	£	No.	£
All issued shares are ordinary shares, which are fully paid	102,206,397	4,088,256	554,649,417	221,860

The Company's articles do not specify an authorised share capital.

Ordinary shares

The Ordinary shares in issue all rank equally with regards to the Company's residual assets, and each carries the right to exercise once vote at a general meeting. There are no special voting or dividend rights beyond those prescribed in the Companies Act 2006. There are no redemption rights.

Movements in ordinary shares:

	Note	No. shares	Par value £	Share Premium £	Total £
Opening balance 1 January 2023		443,538,306	177,417	12,205,726	12,383,143
Share issue 6 September 2023	18(i)	111,111,111	44,443	420,557	465,000
Balance at 31 December 2023		554,649,417	221,860	12,626,283	12,848,143
Share subscription 5 March 2024	18(ii)	400,000,000	160,000	118,000	278,000
Share issue 4 April 2024	18(iii)	83	–	–	–
Share consolidation 4 April 2024	18(iv)	(945,103,005)	–	–	–
Loan conversion 8 April 2024	18(v)	4,000,000	160,000	140,000	300,000
Share placing 8 April 2024	18(vi)	39,554,667	1,582,187	1,166,672	2,748,859
Share subscription 8 April 2024	18 (vii)	9,778,666	391,147	320,878	712,025
VCT placing 28 August 2024	18(viii)	20,798,491	831,940	625,372	1,457,312
Loan conversion 29 August 2024	18(ix)	3,000,000	120,000	105,000	225,000
Consideration-share issue 29 August 2024	18(x)	8,975,119	359,005	314,129	673,134
Share placing 29 August 2024	18(xi)	6,552,959	262,118	204,780	466,898
Balance at 31 December 2024		102,206,397	4,088,257	15,621,114	19,709,371

- (i) On 6 September 2023, a share subscription of 111,111,111 shares at 0.045 pence, raised £500,000 before share issue costs of £35,000.
- (ii) On 5 March 2024, 400,000,000 shares were issued on at 0.075 pence, raising £300,000 before share issue costs of £22,000.
- (iii) On 4 April 2024, 83 ordinary shares were allotted solely to facilitate the share consolidation on a 1-for-10 basis. These shares were not issued for consideration and did not change total shareholder rights or ownership.
- (iv) On 4 April 2024, there was a share consolidation of every 100 ordinary shares of 0.04 pence each into one new ordinary share of 4 pence each.
- (v) On 8 April 2024, 4,000,000 shares were issued at 7.5 pence on conversion of a £300,000 loan, made to the Company by Bob Holt, prior to his appointment as director of the Company.
- (vi) On 8 April 2024, there was a placing of 39,554,644 new ordinary shares at a price of 7.5 pence raising £2,966,600 before share costs of £217,742.
- (vii) On 8 April, there was a share subscription for 9,778,689 shares at 7.5 pence raising £733,400 before share issue costs of £21,375.
- (viii) On 28 August 2024, a VCT placing of 20,798,491 shares at 7.5 pence raised £1,559,887 before share issue costs of £102,574.
- (ix) On 29 August 2024, 3,000,000 shares at 7.5 pence were issued on conversion of a £225,000 loan, made to Cosgrove & Drew Ltd by Robert Holt prior to the acquisition.
- (x) On 29 August 2024, consideration shares were issued to acquire Cosgrove & Drew Ltd (4,308,452) and South West Heating Services Limited (4,666,667) at an agreed placing price of 7.5 pence
- (xi) On 29 August 2024, there was a placing of 6,552,959 shares at 7.5 pence raising £491,472 before share issue costs of £24,574.

Notes to the financial statements for the year ended 31 December 2024 *continued*

19. Share-based payment

The Group operates an equity-settled share-based remuneration scheme, the Earnz plc Long Term Incentive Plan 2024 (the "LTIP") effective from the re-admission to AIM, 29 August 2024. All employees of the group are eligible however currently share awards have only been granted to the Executive Board.

Prior to the re-admission the Group operated an equity settled share-based remuneration scheme for Senior Executives, the Verditek plc EMI and Non-Qualifying Share Option Plan (the "Option Plan"). Only one award remains in place following the re-admission, the rights and rewards of the award remain the same however the number of shares and exercise price were adjusted following the share consolidation on 4 April 2024.

The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions but excluding the impact of any service or non-market performance vesting conditions.

Non-market vesting conditions are included in the assumptions regarding the number of options that are expected to vest. The total expense is recognised over the vesting period. At the end of each period the Group revises its estimates of the number of options expected to vest based on the non-market vesting conditions. It recognises the impact of any revision in the income statement with a corresponding adjustment to equity.

The total expense recognised for equity-settled share-based payments during the year was £22,634 (2023: (£154,010)). This is included within administrative expenses.

General terms and conditions of each scheme and key assumptions used for the fair value calculation are noted in the table below:

	LTIP	Option Plan
Type of instrument	<i>Nil- cost option</i>	<i>Option</i>
Grant date	<i>9 September 2024</i>	<i>17 September 2021</i>
Vesting period	<i>3rd anniversary of grant date</i>	<i>3rd anniversary of grant date</i>
Exercise date	<i>9 September 2027</i>	<i>17 September 2022 (2023 & 2024)</i>
Holding period	<i>To 9 September 2028</i>	<i>N/A</i>
Service condition	<i>Not specified</i>	<i>1/3 entitlement pa from grant date</i>
Performance conditions	<i>N/A</i>	<i>N/A</i>
Market conditions	<i>Share price at vesting date</i>	<i>N/A</i>
Expiry term	<i>10 years from date of grant</i>	<i>10 years from date of grant</i>
Forfeiture	<i>on leaving date</i>	<i>1st anniversary of leaving date</i>
Option valuation model	<i>Monte Carlo model</i>	<i>Black Scholes model</i>
Exercise price	<i>£0.00</i>	<i>£3.80 (£0.038 pre-share consolidation)</i>
Share price at grant date	<i>7.35p</i>	<i>3.8p</i>
Expected volatility	<i>48.88%</i>	<i>100%</i>
Expected life (months)	<i>48</i>	<i>36</i>
Risk-free interest rate	<i>3.64%</i>	<i>0.07088%</i>
Dividend yield	<i>0%</i>	<i>0%</i>

The following tables illustrates the number of, and movements in, share options during the year in addition to weighted average contractual life and exercise price (WAEP)

Movement in year to 31 December 2024	No. share options (Option plan)	No. share options (LTIP)	No. warrants	WAEP (pence)	Weighted average term (years)
Opening balance 1 January 2024	3,700,000	–	2,250,000	4.68	3.81
Forfeited in year	(3,033,334)	–	–	(1.42)	(1.89)
Adjustment on share consolidation* ¹	(659,999)	–	(2,227,500)	322.74	–
Lapsed in year	–	–	(22,500)	54.00	5.39
Granted in year* ²	–	5,192,409	–	(379.51)	2.05* ³
Outstanding balance at 31 December 2024	6,667	5,192,409	–	0.49	9.36

*¹ Following the share consolidation of 100:1 on 4 April 2024 the share options in issue were adjusted accordingly

*² The LTIP option agreement specifies the number of options as a percentage of share capital on vesting therefore the actual number of options may be subject to change.

*³ Includes time-based reduction to year end

Movement in year to 31 December 2023	No. share options (Option plan)	No. share options (LTIP)	No. warrants	WAEP (pence)	Weighted average term (years)
Opening balance 1 January 2023	20,000,000	–	2,250,000	3.94	7.59
Forfeited in year	(16,300,000)	–	–	0.74	(3.78)
Outstanding balance at 31 December 2024	3,700,000	–	2,250,000	4.68	3.81

Notes to the financial statements for the year ended 31 December 2024 *continued*

20. Subsidiaries

Earnz Plc held investments in the following subsidiaries as at 31 December 2024. All shares in subsidiaries are ordinary share capital unless otherwise stated.

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held		Audit exemption**
			2024	2023	
Earnz Holdings Limited*	Intermediate holding	1 st Floor, St James House, St James' Square, Cheltenham, Gloucestershire, GL50 3PR	100%	100%	Yes
Earnz Regeneration Limited*	Dormant	1 st Floor, St James House, St James' Square, Cheltenham, Gloucestershire, GL50 3PR	100%	100%	Yes
Cosgrove & Drew Ltd	Commercial and industrial mechanical and electrical installation services	1 st Floor, St James House, St James' Square, Cheltenham, Gloucestershire, GL50 3PR	100%	100%	Yes
South West Heating Services Limited	Domestic maintenance and heating installation services	1 st Floor, St James House, St James' Square, Cheltenham, Gloucestershire, GL50 3PR	100%	100%	Yes
SW Assessors Limited	Provision of building assessment services	1 st Floor, St James House, St James' Square, Cheltenham, Gloucestershire, GL50 3PR	100%	100%	Yes
Verditek USA Limited*	Dormant	Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%	Yes

* Indicates direct investment in the company

** All current subsidiaries have taken advantage of audit exemptions available under the Companies Act 2006 (sections 479 and 480) due to their size or dormant status and are therefore not subject to a statutory audit.

21. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize or mitigate where possible the potential adverse effects on the Group's financial performance.

Risk management is carried out by the Board of Directors. The Group identifies, evaluates, and manages financial risks in close cooperation with its operating entities. The Group does not engage in speculative trading of financial instruments.

Credit risk

Credit risk refers to the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from operating activities, primarily trade receivables, and from its financing activities including deposits with banks and financial institutions.

To minimize the credit risk exposure of cash and cash equivalents, which are considered a low credit risk, the Group only places cash and cash equivalents with established banks that maintain high credit ratings and monitors the concentration of exposure to any single institution.

In relation to trade receivables, which are considered a moderate credit risk, the Group conducts credit evaluations and actively monitors outstanding balances to reduce the risk of default. The analysis of trade receivables and expected credit loss allocation is detail in Note 16(ii).

At the reporting date, the maximum exposure to credit risk was £3.38m.

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 monitors its liquidity requirements on a regular basis to ensure it has sufficient funds to meet its operational needs.

To minimize the liquidity risk, the Group continuously monitors forecasted and actual cash flows with the objective of ensuring sufficient funds are available to meet its liabilities when due, under both normal and stressed conditions. The Group also maintains strong relationships with its principal banking partners and 3rd party credit facility providers, increasing the prospect of them facilitating access to funding if required.

Notes to the financial statements

for the year ended 31 December 2024 *continued*

The following table details the Group's remaining contractual maturities for its financial liabilities. The amounts disclosed are the contractual undiscounted cash flows.

	Up to 3 months £'000	3 months to 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Wages and pensions payable	21	–	–	–	–
Trade payables	1,224	–	–	–	–
Accruals	288	–	–	–	–
Lease liabilities	23	69	73	78	–
Loans and borrowings	973*	192	217	68	–
Contingent consideration	–	150	150	–	–
Total at 31 December 2024	2,529	411	440	146	–

*The invoice factoring facility included in loans and borrowings is a revolving facility secured on trade receivables. Contractual outflows are presented in line with expected receivable maturities. While individual drawdowns are shortterm, the facility is expected to be continually utilised, and therefore total exposure may extend beyond 3 months. The facility limit is £600k, of which £599k was drawn at year-end.

	Up to 3 months £'000	3 months to 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Wages and pensions payable	19	–	–	–	–
Trade payables	173	–	–	–	–
Accruals	72	–	–	–	–
Lease liabilities	57	172	95	–	–
Loans and borrowings	–	–	523	–	–
Contingent consideration	–	–	–	–	–
Total at 31 December 2023	321	172	618	–	–

Market risk

In the prior year, the Group was exposed to foreign exchange risk, primarily through its investment in a foreign subsidiary, Verditek Solar srl, whose functional currency (euros), differed from that of the parent company. The Group's exposure related to translation of net assets and intercompany balances denominated in foreign currency in addition to supplier payables and customer receivables denominated in foreign currency.

During the year, the Group disposed of the foreign subsidiary, eliminating its material exposure to foreign currency risk. As such, the Group is no longer subject to foreign exchange currency risk as at the reporting date.

All of the Group's financial instruments are denominated in pounds sterling, which is the Group's functional and presentational currency. Accordingly, no sensitivity analysis has been presented for foreign currency risk.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the Group's financial performance or the value of its financial instruments.

Capital Risk

The Group's objectives when managing capital are to:

- Safeguard its ability to continue as a going concern
- Provide returns to shareholders
- Maintain an optimal capital structure to reduce the cost of capital, and
- Comply with externally imposed capital requirements, if any.

The Group manages its capital structure and makes adjustments in light of economic conditions and the requirements of its operations. In order to maintain or adjust the capital structure, the Group may:

- Issue new shares
- Return capital to shareholders
- Adjust or abstain from payments of dividends, and/or
- Adjust levels of debt

Capital structure overview

The Group regularly reviews its gearing ratio to ensure alignment with strategic goals and compare to industry benchmarks.

22. Employee benefits

The Group operates a defined contribution pension scheme only.

	2024 £'000	2023 £'000
Pension cost at 1 January		
Pension cost recognised as an expense in staff costs (see Note 5)	10	32
Pension liability at 31 December		
Pension liability included current trade and other payables (see Note 16)	(11)	–

23. Related party transactions

The ultimate parent company of the Group is Earnz Plc, which is listed on the AIM market of the London Stock Exchange. No individual shareholder or group of shareholders holds more than 50% of the voting rights or exercises control over the Group. Accordingly, control is considered to be dispersed amongst a wide range of shareholders.

The remuneration of key management personnel, which includes the directors of the Company, is set out below in aggregate for each of the applicable categories as required by IAS 24. Further details of individual directors' remuneration are provided in the Directors' Remuneration Report.

Key management personnel compensation

	2024 £'000 KMP	2023 £'000 KMP
Short-term employee benefits	331	207
Post-employment benefits	10	–
Share-based payment expenses	23	(154)
Total employee benefits	364	53

Notes to the financial statements

for the year ended 31 December 2024 *continued*

Transactions with related parties

Related party	Nature of relationship	Nature of transaction	2024 value £'000	2023 value £'000
Earnz Holdings Limited	Subsidiary	Intercompany loan	2,035	–
Earnz Holdings Limited	Subsidiary	Pass-through operating expenses	17	–
Cosgrove & Drew Ltd	Subsidiary	Intercompany loan	540	–
Cosgrove & Drew Ltd	Subsidiary	Intercompany sale of services	26	–
Cosgrove & Drew Ltd	Subsidiary	Pass-through operating expenses	50	–
South West Heating Services Limited	Subsidiary	Intercompany loan (VCT)	366	–
South West Heating Services	Subsidiary	Intercompany loan	(345)	–
South West Heating Services Limited	Subsidiary	Intercompany sale of services	14	–
South West Heating Services Limited	Subsidiary	Pass-through operating expenses	2	–
SW Assessors Limited	Subsidiary	Intercompany loan (VCT)	300	–
Quoted Companies Alliance	Common Directorship	Annual membership subscription	3	–
Logical Utilities Company	Common Directorship	Cost reimbursement relating to potential acquisition	(60)	–
Bob Holt	Director	Loan to Company (prior to becoming Director)	300	–
Bob Holt	Director	Loan share conversion	(300)	–
Bob Holt	Director	Loan to subsidiary	450	–
Bob Holt	Director	Reimbursement of personal invoice in full	12	–
Bob Holt	Director	Loan share conversion	(225)	–
Bob Holt	Director	Consideration shares on acquisition of subsidiary	189	–
Bob Holt	Director	Contingent consideration agreed	405	–
Fly Solar Tech Solutions srl	Common Directorship	Service agreement-rental income	–	42
Fly Solar Tech Solutions srl	Common Directorship	Service agreement – rental payment	–	(247)

Outstanding balances with related parties

Related party	Nature of relationship	Type	31.12.24 £'000	Terms
Earnz Holdings Limited	Subsidiary	Intercompany loan	2,052	Unsecured, interest-free, repayable on demand
Cosgrove & Drew Ltd	Subsidiary	Intercompany loan	616	Unsecured, interest-free, repayable on demand
South West Heating Services Limited	Subsidiary	Intercompany loan receivable (VCT)	366	Unsecured, interest-free, repayable on demand
South West Heating Services Limited	Subsidiary	Intercompany loan payable	(343)	Unsecured, interest-free, repayable on demand
South West Heating Services Limited	Subsidiary	Accounts receivable	14	Payment made post-year end
SW Assessors Limited	Subsidiary	Intercompany loan	300	Unsecured, interest-free, repayable on demand
Bob Holt	Director	Interest free loan repayable on demand	(225)	

24. Commitments, contingencies and guarantees

There were no capital commitments as at 31 December 2024 (2023: none).

There are instances that the Group is engaged in litigation in the ordinary course of business. The Group has professional indemnity insurance.

25. Events after the reporting period

On 11 June 2025, the Group signed a Sale and Purchase agreement to acquire all the share capital of A&D Carbon Solutions LTD at a cost of £2.8m with initial consideration of £1.3m, £1.04m in cash, to be adjusted for net debt and normalized working capital and £0.2m of which is contingent on meeting targets by 31 December 2025. The remaining initial consideration of £260k is payable in new ordinary shares in EARNZ plc. The remaining consideration is deferred and contingent upon reaching EBITDA targets for up to 3 years post completion and is payable 60% cash and 40% new ordinary shares in EARNZ plc. On 12 June the Company raised £1.02m through a share placing, to fund the acquisition and provide additional working capital for the Group. The sale is expected to complete on 30 June following a successful general meeting authorising the directors to issue the consideration shares.

As the acquisition occurred after the reporting date, the results and financial position of the acquired company have not been included in these financial statements. The Group is currently assessing the fair values of the identifiable assets acquired and liabilities assumed. Accordingly, the accounting for this acquisition is provisional and subject to adjustment.

Company statement of financial position for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Investments in subsidiaries	H	0	9
Property, plant and equipment	I	3	11
Total non-current assets		3	20
Current assets			
Cash and cash equivalents	J(i)	1,341	47
Trade and other receivables	J(ii)	133	27
Net amounts due from subsidiaries		4,326	490
Total current assets		5,800	564
Current liabilities			
Trade and other payables	J(iii)	(329)	(143)
Financial liability <1 year	J(iv)	(180)	–
Total current liabilities		(509)	(143)
Net current (liabilities) / assets		5,291	421
Non-current liabilities			
Loans and borrowings	J(v)	–	(523)
Financial liability >1 year	J(iv)	(1,155)	–
Total non-current liabilities		(1,155)	(523)
Net assets		4,139	(82)
Capital and reserves			
Share capital		4,088	222
Share premium		15,621	12,626
Share-based payment reserve		39	179
Retained earnings		(15,609)	(13,109)
Total equity		4,139	(82)

The accompanying notes on pages 94 to 99 are an integral part of these financial statements.

The Company's loss for the year was £2,663k (2023: £1,344k)

These financial statements were approved and authorised for issue by the board on 26 June 2025 and signed on its behalf by:

Bob Holt

Chief Executive Officer

Company statement of changes in equity for the year ended 31 December 2024

	Share capital £'000	Share Premium £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023	177	12,206	333	(11,765)	951
Loss for the year	–	–	–	(1,344)	(1,344)
Total comprehensive loss	–	–	–	(1,344)	(1,344)
Transactions with owners:					
Shares issued, net of costs	45	420	–	–	465
Equity settled share-based payments	–	–	(154)	–	(154)
Total transactions with owners	45	420	(154)	–	311
Balance at 31 December 2023	222	12,626	179	(13,109)	(82)
Loss for the year	–	–	–	(2,663)	(2,663)
Total comprehensive loss	–	–	–	(2,663)	(2,663)
Transactions with owners:					
Shares issued, net of costs	3,227	2,436	–	–	5,663
Consideration shares issued on acquisitions	639	559	–	–	1,198
Transfer of lapsed share-based payments	–	–	(163)	163	–
Equity-settled share-based payments	–	–	23	–	23
Total transactions with owners	3,866	2,995	(140)	163	6,884
Balance at 31 December 2024	4,088	15,621	39	(15,609)	4,139

The accompanying notes on pages 94 to 99 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2024

A Statement of compliance

The financial statements of Earnz Plc, the Company, have been prepared in accordance with Financial Reporting Standard 101 – Reduced Disclosure Framework ('FRS101') and the Companies Act 2006 as applicable to companies using FRS101.

B Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified and in accordance with the Companies Act 2006.

The Company's financial statements are presented in pounds sterling, which is the Company's functional and presentation currency. All amounts are rounded to the nearest £1,000, unless otherwise stated.

The Company has taken advantage of s.408 of the Companies Act 2006 in not preparing its own statement of profit or loss and statement of other comprehensive income.

As permitted by FRS101, Earnz Plc has taken advantage of disclosure exemptions, on the basis that equivalent disclosures are, where required, given in the consolidated financial statements of Earnz Plc. The following exemptions have been applied in the preparation of these financial statements:

- (a) Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined) – permitted by FRS101 para.8(a)
- (b) IFRS 7, 'Financial instruments: Disclosures' – permitted by FRS101 para.8(d).
- (c) Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities) – permitted by FRS101 para.8(e).
- (d) Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of: – Paragraph 79(a)(iv) of IAS 1, – Paragraph 73(e) of IAS 16, 'Property, plant and equipment', and – Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period) – permitted by FRS101 para.8(f).
- (e) The following paragraphs of IAS 1, 'Presentation of financial statements': – 10(d) (statement of cash flows), – 16 (statement of compliance with all IFRS), – 38A (requirement for minimum of two primary statements, including cash flow statements), – 38B-D (additional comparative information), – 111 (statement of cash flows information), and – 134-136 (capital management disclosures) – permitted by FRS101 para.8(g).
- (f) IAS 7, 'Statement of cash flows' – permitted by FRS101 para.8(h)
- (g) The requirements of paragraphs 88C and 88D of IAS 12 Income Taxes – permitted by FRS 101 para.8(iZA)
- (h) Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective) – permitted by FRS101 para.8(i)
- (i) Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)-permitted by FRS101 para.8(j)
- (j) The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group – permitted by FRS101 para.8(k).

Going concern

The Directors have assessed the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future.

For a more detailed assessment of going concern, please refer to the consolidated financial statements.

C Critical accounting judgements and estimates

The critical accounting judgements and estimates applied in the preparation of the parent company accounts are consistent with those disclosed in the consolidated financial statements. For further details on the key assumptions and estimates, refer to the consolidated financial statements.

D Accounting policies

The accounting policies applied in the preparation of the Parent Company financial statements are the same as those set out in Note 2 to the consolidated financial statements, except for the following additional policies.

Investment in subsidiaries

The Company does not hold direct equity investments in its trading subsidiaries. Instead, all operating subsidiaries are held through an intermediate holding company, which is a 100% wholly owned subsidiary of the Company.

Impairment of investments

The Company's investment in subsidiaries is primarily reflected in the intercompany loan receivable from its holding company that has direct ownership of all trading entities.

This loan is classified as a financial asset and is measured at amortised cost, less any impairment. The recoverability of the loan is assessed based on the net asset position and expected future cash flows of the wider group structure. Any impairment is recognised in the profit or loss when there is objective evidence that the carrying amount is not fully recoverable.

Share-based payments

The Company operates equity-settled share-based payment arrangements for certain employees. The cost of these arrangements is measured at fair value at grant date and recognised over the vesting period.

The Company has taken advantage of the exemption available under FRS101 and therefore has not disclosed detailed information about share-based payments. Equivalent disclosures are included in the consolidated financial statements.

Intercompany receivables

Amounts due from group undertakings are initially recognised at fair value and subsequently measured at amortised cost. No unconditional right to defer settlement for at least 12 months after the reporting date exists and therefore all intercompany loans are classified as current.

Notes to the financial statements for the year ended 31 December 2024 *continued*

E Staff costs

Average monthly number of persons employed by the Company during the year:

	2024 No.	2023 No.
Directors	4	4
Administration	1	–
Total average number of employees	5	4

The cost of employees (including directors) during the period was made up as follows:

	2024 £'000	2023 £'000
Salaries (including directors)	285	111
Share-based payments	23	(154)
Social security costs	29	4
Pension costs	12	–
Total staff costs	349	(39)

Director's remuneration is disclosed separately in Note 5.

F Auditor remuneration

The Company paid all audit and non-audit fees for the Group during the year. These included £161k for the audit of the company and consolidated financial statements and £433k for non-audit services relating to financial due diligence on acquisition targets in the year.

G Operating expenses

Following the disposal of the sole operating subsidiary Verditek Solar Italy srl on 28 February 2024, the Company became an AIM Rule 15 cash shell.

Included in operating expenses are costs associated with re-admission requirements and financial and legal due diligence on acquisition targets, incurred by the Company, totalling £1.6m.

H Investments in subsidiary undertakings

	2024 £'000	2023 £'000
Cost		
At 1 January	609	609
Investment	0*	–
Disposal	(609)	–
At 31 December 2023	0	609
Impairment		
At 1 January	(600)	(600)
Investment	0*	–
Disposal	600	–
At 31 December 2023	0	(600)
Net book value	0	9

* During the year, the Company incorporated a new 100% wholly owned subsidiary, Earnz Holdings Limited, as the Group's intermediate holding company. The investment on incorporation was a nominal amount of £1, which has been rounded to £0 in the table above.

Full details of the Company's subsidiaries, held directly or indirectly through Earnz Holdings Limited are provided in Note 20 of the consolidated financial statements.

I Property, plant and Equipment

	Computers & Electronic equipment £'000	Plant & Machinery £'000	Total £'000
Cost			
At 1 January 2024	5	14	19
Additions	4	–	4
Disposals	(5)	(14)	(19)
At 31 December 2024	4	–	4
Depreciation			
At 1 January 2024	(3)	(6)	(9)
Charged during the year	(1)	(1)	(2)
Disposals	3	7	10
At 31 December 2024	(1)	–	(1)
Net book value at 31 December 2024	3	–	3
	Computers & Electronic equipment £'000	Plant & Machinery £'000	Total £'000
Cost			
At 1 January 2023	4	14	18
Additions	1	–	1
At 31 December 2023	5	14	19
Depreciation			
At 1 January 2023	(1)	(3)	(4)
Charged during the year	(1)	(3)	(4)
At 31 December 2023	(2)	(6)	(8)
Net book value at 31 December 2023	3	8	11

Notes to the financial statements for the year ended 31 December 2024 *continued*

J Financial Instruments

The Company's principal financial instruments comprise intercompany receivables, trade receivables, trade payables and interest-bearing borrowings.

At 31 December 2024, the carrying amounts of financial instruments were:

Category		2024 £'000	2023 £'000
Cash and cash equivalents	J(i)	1,341	47
Intercompany receivables		2,991	490
Trade and other receivables	J(ii)	133	27
Trade and other payables	J(iii)	(329)	(142)
Loans and borrowings	J(iv)	–	(523)

The Company has applied the exemptions available in FRS101 and has not disclosed further information required by IFRS7 and IFRS 13 relating to financial risk management and fair value hierarchy. Equivalent disclosures are included in the consolidated financial statements of the group.

J(i) Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank and in hand	512	47
Restricted cash	829	–
Total cash and cash equivalents	1,341	47

Restricted cash of £829k relates to cash held arising from capital raised under VCT tax-advantaged status. These funds are ring-fenced and are not available for general use by the Company. The Company can only use this money in accordance with the qualifying investment criteria of the VCT regulations.

J(ii) Trade and other receivables

	2024 £'000	2023 £'000
Prepayments	76	12
VAT receivable	43	15
Trade receivables	14	–
Total trade and other receivables	133	27

J(iii) Trade and other payables

	2024 £'000	2023 £'000
Trade payables	64	94
Accruals and deferred income	247	46
Social security & other taxes payable	14	2
Pension cost	4	–
Total trade and other receivables	329	142

J(iv) Financial liabilities

The Company has recognised a financial liability, relating to the obligation to issue shares or settle in cash, the contingent consideration on behalf of its 100% wholly owned subsidiary Earnz Holdings Limited.

An equal and corresponding receivable of £1.335m has been recognised as a financial asset in the balance 'net amounts due from subsidiaries'.

J(v) Loans and borrowings

	2024 £'000	2023 £'000
Non-current – movement		
Balance 1 January	523	–
Corporate bond issue (convertible loan notes)	–	500
Accrued interest on corporate bonds	5	23
Derecognition on disposal of subsidiary	(528)	–
Balance 31 December	–	523

The convertible loan noteholders incorporated Verditek Solar Limited on 27 February 2024.

On 28 February 2024, Earnz Plc (previously Verditek Plc until 6 March 2024) disposed of its sole operating subsidiary, Verditek Solar Italy srl to Verditek Solar Limited, in return for satisfaction of the outstanding secured convertible loan notes and accrued interest (£528,340).

K Taxation

- (i) There is no current tax or deferred tax charge for the year in respect of the Company.
- (ii) No deferred tax asset has been recognised in respect of accumulated tax losses due to the uncertainty over availability of future taxable profits against which these losses can be utilised.

At 31 December 2024, the Company had unrecognised tax losses of £1.45m that may be available for relief against taxable profits of its subsidiaries, subject to relevant tax rules and elections.

L Share capital and reserves

For details of share capital see Note 18 in the consolidated financial statements.

M Commitments

As at 31 December 2024, the Company had no material commitments for capital expenditure or other contractual obligations, including guarantees given in respect of subsidiaries or third parties.

N Contingent liabilities

As at 31 December 2024, the Company had no contingent liabilities, including potential liabilities arising from guarantees or indemnities provided to subsidiaries or other parties.

O Ultimate controlling party

The Company is the ultimate parent undertaking and controlling party of the Group.

P Events after the reporting period

There were no material events after the reporting period specific to the company. Refer to Note 25 of the consolidated financial statements for details of events after the reporting period affecting the Group.

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