Registered number: 04812855

Rurelec PLC

Annual Report and Financial Statements

For the year ended 30 June 2025

Rurelec PLC

Company Information

Directors	A H Coveney P R A Shackleton
Company secretary	M J Bravo Quiterio
Registered number	04812855
Registered office	5 St. John's Lane London England EC1M 4BH
Independent auditors	Kreston Reeves Audit LLP Statutory Auditor 2nd Floor 168 Shoreditch High Street London E1 6RA

Rurelec PLC

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Strategic report
For the year ended 30 June 2025

Introduction

The overall strategy for the Company in recent years has been to stabilise the Company financially through the disposal of assets and the elimination of all but essential costs. In pursuing this the sale of Rurelec's Argentinian interests and the disposal of the Chilean interests were announced in June 2023 and December 2023 respectively. The Company was subsequently able to make a special dividend payment to shareholders of 0.2p per share, totalling £1.12 million.

The strategy has now evolved from a defensive one to building back a business which can deliver shareholder value. The Company undertook a capital reorganisation with an associated fundraising by way of a share subscription for £450,000 in May 2024.

We will continue to seek to realise value for the Turbines which are the Company's remaining assets in an orderly fashion from a stable financial position in order to optimise the value achieved.

Following the disposal of the Argentinian interests, the Company became an AIM Rule 15 Cash Shell, its shares were suspended from trading on AIM in December 2023 and in June 2024 its admission to AIM was cancelled. The Directors are now focused on two goals which will run concurrently - the sale of its turbines and undertaking a transformative acquisition for Rurelec using remaining resources and additional fundraisings where appropriate.

Liquidity

For a number of years our strategy has been determined by the on-going financial position of the Company. The main borrowing of the Company was the 2016 secured BPAC loan, which was repaid in 2019 enabling the associated debenture to be released. The Group and the Company thus became debt-free in 2019, and it remained debt-free throughout the period covered by these accounts.

Rurelec current liabilities have increased to £0.74 million (2024: £0.38 million). With the sale of its Argentinian and Chilean interests any further increase in Company liquidity will come from additional fundraisings, disposal of the turbines or the acquisition of a cash generating business.

In June 2023 Rurelec received £2.4 million (US$3 million) of the initial consideration from the sale of PEL and in December 2023 the Company received £0.03 million from the disposal of its Chilean interests. According to the Sale and Purchase Agreement for the sale of the Argentinian interest, further contingent payments of deferred consideration of up to £ 1.6m ($2 million) were payable - USD $1 million 12 months following completion and USD $1 million 36 months following completion. However, Rurelec Board have looked at the conditions triggering these payments and assessed that it is highly unlikely that either payment will be triggered.

<u>Liquidity - asset sales</u>

The Board continues to seek buyers for its remaining assets, the two Siemens 701 DU125MW turbines and generators in storage in Italy.

It is encouraging to note that in recent times there has been a significant increase in the number of credible enquiries for the turbines. It is clear that fossil fuel-powered turbines (such as Rurelec's plant which is dual fuel, capable of running on gas or heavy fuel oil) will still be needed alongside more sustainable forms of power generation. The increasing world appetite for electrical power, the growth in electricity consumption from data centres and the power needs of the developing nations themselves has led to a situation where the directors believe the lead time on new gas fired turbines is now widely quoted to be 5 to 7 years. In such circumstances it is perhaps not surprising that there has been a resurgence of interest in old turbines such as Rurelec's assets.

A sale of these assets would have a material effect on Rurelec's liquidity if and when it occurs, and the exact timing of any future sale remains uncertain.

Strategic report (continued)
For the year ended 30 June 2025

Business review

The operating loss of £1.1 million for the 12 month period ended 30 June 2025 represents a significant decrease in losses compared to the £4.3 million operating loss for the 18 months ended 30 June 2024.

Underlying Administrative expenses of £0.7 million for the 12 months ended 30 June 2025 were lower on a pro rata basis than the equivalent cost in 18 months period ended 30 June 2024 (£1.3 million).

Adverse exchange rate movements on balance sheet items totalled £0.3 million (2024: £0.4 million) movement.

The overall loss before tax for the 12 month period was £1.1 million (18 month period 2024: £4.3 million). There was negligible finance income in the period.

Following the disposal of the Group's Argentinian interests, the Company became a Cash Shell pursuant to Rule 15 of the AIM Rules for Companies. The consequences of this are that before 11 December 2023 (being six months after Rurelec became an AIM Rule 15 cash shell), Rurelec needed to make an acquisition or acquisitions which constitute a reverse takeover under Rule 14 of the AIM Rules for Companies. As this did not occur, Rurelec's Ordinary Shares were suspended from trading on AIM and subsequently as no qualifying acquisition was completed by 11 June 2024, the admission of the Company's ordinary shares to trading on AIM was cancelled on 12 June 2024.

At 30 June 2025 the Company is in a position whereby it can only meet expected costs for 12 months after the signing of this report if there is another successful fundraising in advance of an acquisition or there is a sale of the turbines. The company continues to actively market the turbines for sale.

During the year, the company's management were engaged in a plan to acquire an oil producing asset which required associated fundraising. The directors are disappointed to report that this plan was terminated.

As a result of this the directors have identified a need to raise further equity in the Company and are regularly engaging with a third party representing certain existing shareholders to advance this strategy. As at the time of approval of these financial statements nothing has been agreed but management believes that additional funds will be raised to allow the company to operate beyond 30 September 2027.

While the directors are confident that sufficient finance will be available to the company to continue in operational existence beyond September 2027 should either the turbines not be sold or additional fundraising not be achieved there is likely to be insufficient resources to adequately fund the Company as far as 30 September 2027 and duly acknowledge there is material uncertainty.

Key performance indicators

The Directors use a range of performance indicators to monitor progress in the delivery of the Company's strategic objectives, to assess actual performance against targets and to aid management of the businesses.

Rurelec's key performance indicators ("KPIs") include both financial and non-financial targets which are set annually.

Financial KPIs

Financial KPIs address cashflow, operating profitability, net asset value and earnings per share.

i) Cash Flows

The Company is heavily focused on optimising cashflow generation. The net decrease in Cash and Cash Equivalents in the period was £0.65 million (2024: increase £0.28 million). Cash and cash equivalent balances at the period-end were £0.08 million (2024: £0.73 million).

ii) Operating profitability

Operating loss excludes all non-operating costs, such as financing and tax expenses as well as one-off items and non-trading items, such as negative goodwill. The exclusion of these non-operating items provides an indication of the performance of the underlying businesses. The Company made an operating loss of £1.1 million for the period (2024: £4.3 million loss).

iii) Net asset value

Net asset value is calculated by dividing funds attributable to Rurelec's shareholders by the number of shares in issue. The net assets of the Company reduced in the period to £4.2 million at 30 June 2025 from £5.2 million at 30 June 2024.

Review of Financial Performance

Company Results

The Company·loss after tax for the 12 month period under review is £1.1 million (2024: £4.3 million loss). This included impairment adjustments and loan provisions of £Nil million (2024: £2.7 million), and foreign exchange losses of £0.3 million (2024: £0.4 million).

The Company revenue was £Nil (2024: £Nil). Administrative expenses for the 12 month period amounted to £0.7 million (2024: £1.3 million for 18 month period). Operating loss was £1.1 million (2024: £4.3 million loss). The loss before tax is £1.1 million (2024: £4.3 million loss).

Turbines

These assets were reclassified as held for sale at 31 December 2022. The Company's carrying value is assessed for possible impairments. In light of current local market conditions, in order for the project to be attractive to joint-venture partners, the capital value of the 701 Siemens turbines has been assessed at £4.4 million (2024: £4.7 million).

Principal risks and uncertainties.

The principal risks and uncertainties facing the Company have been stated as the following risks:

a) Liquidity - Following the receipt of the initial consideration of £2.4 million (US$ 3 million) for the sale of its Joint Venture interest in Argentina. the Company was in a position to meet its forecast short-term cash requirements. Since then, the Company will need to seek an injection of funds via the issue of new equity or the sale of the 701 turbines before it runs out of cash. Please see Going Concern in the Directors Report.

b) Talent and Management Retention - The alignment of the human capital with the business strategy, thus, with a situation of uncertainty over the Company's future and dynamic competition in the labour market increases the likelihood that people with above-average skills will leave and forces the development of further strategies to retain them. These risks may include a Position risk, the exposure from the loss of an employee in a given position and Individual risk, an employee is at risk to leave their position or the Company.

c) Business Opportunities Risk - Different situations can affect the business, both predictable and unforeseen. Therefore, there are challenges that refer to the Company's inner functions and external forces, which can prevent it from accomplishing its goals. When faced with choices, and the selection of one above the other, the option or options not chosen may have been potentially better for the Company.

d) Business Interruption - The risk of a global pandemic or the low market confidence in investing in new projects together with the risk of an armed conflict which may affect the chain of supply or trigger sanctions or tariff increases may result in the business being unable to continue.

Strategic report (continued)
For the year ended 30 June 2025

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Board of Directors of Rurelec PLC acknowledge that they have a statutory duty under s172 (1) (a-0) of the Act to promote the success of the Company for the benefit of the members as a whole considering broader stakeholder interests, and notably having regard to:

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

We report below on how in the period ended 30 June 2025 the Board's strategies, actions and key decision making took place observing these duties with the objective of delivering positive outcomes for the Company, its shareholders and its wider stakeholders the most relevant of which have been identified as including creditors, employees of the Company and those impacted by its operations in the wider community.

a) Regarding the likely consequences of long-term decision making, those decisions were made with clear strategic focus on the need to return value to shareholders and the need to continue to build financial strength, thereby avoiding the near-insolvency event experience by the Company in the past. That strategy drove cash conservation and cost cutting decisions so that the business could withstand financial stress. The Company was able to withstand those stresses in the period.

b) Our employees are fundamental to the delivery of our strategy. The Board has prioritised fair remuneration and pension arrangements for those employees and undertakes regular communication updates in an open environment. Decisions taken to maximise the resilience of the business, preserving cash and minimising risk, are taken after prioritising the continued employment of those employee roles that have been instrumental to the turnaround of the business.

c) Regarding the need to foster business relationships with suppliers, customers and others, Rurelec repaid previous arrears to trade creditors who have supported the business over a significant timescale and to repay in full all secured creditors. The Company has been freed from the interest burden that was being paid. on past loans, thereby benefitting other stakeholders. Rurelec is debt- free and as operating circumstances allow, the Board's stated objective of returning value to shareholders can be realised.

d) Regarding the desirability of Rurelec maintaining a reputation for high standards of business conduct, the Board of Directors' intention is to ensure that the business operates and behaves in a responsible manner with high standards of business conduct and governance. Regular communication amongst the Board and employees and effective, formally recorded Board Meetings ensure such standards are maintained. Where appropriate, independent legal advice is obtained to support the decision process.

e) Regarding the need to act fairly, as between members of the Company, all shareholders are welcome to express their views at the Annual General Meeting. In December 2019, the Company took the decision to apply to shareholders and the law courts for a capital reconstruction in 2020. This reconstruction was duly approved in 2020 to facilitate the distribution of future returns ·to shareholders should cash reserves grow to the extent of permitting this. On 1 June 2023 there was a General Meeting at which the shareholders unanimously voted for the proposed disposal of PEL and a 0.2p dividend per share to be paid from the proceeds. On 24 April 2024, the Company took the decision to. apply to shareholders for a capital reorganisation and a conditional subscription of new Ordinary Shares to recapitalise the business which will allow the Company to prepare for an acquisition through which build value. This was approved in a general meeting on 13 May 2024.

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

P R A Shackleton
Director
Date: 29 September 2026

Directors' report
For the year ended 30 June 2025

The directors present their report and the financial statements for the year ended 30 June 2025.

Principal activity

The Company's principal activity has been the realisation of businesses and assets built up through acquisition, development and operation of power generation in markets in Latin America. Since the disposal of its South American operations in Argentina and Chile in 2023 the Company became an AIM Rule 15 Cash Shell, its shares were suspended from trading on AIM in December 2023 and in June 2024 its admission to AIM was cancelled. Therefore, the principal activity of the Company is as a holding company seeking acquisitions to take the group forward and to sell the turbines.

Results and dividends

The loss for the year, after taxation, amounted to £1.1m (2024 - loss of £4.3m).

During the year the company paid dividends of £Nil (2024: £1.1m).

Business review

A review of the business is given in the Strategic Report.

Going concern

Accounting standards require that Directors satisfy themselves that it is reasonable for them to conclude whether it is appropriate to prepare financial statements on a going concern basis. In assessing the going concern position of the Company, the Directors have taken into account the uncertainties, cash flows, and implementation of revised strategy. The Directors have reviewed financial projections and strategy to 30 September 2027 and have considered projections for a base case and a stress case.

At the date of the signing of the Financial Statements, having considered Rurelec's current cash balances and the cash forecasts, the Directors believe, bearing in mind the outgoings of the Company, there is currently insufficiently working capital to avoid the need to seek further funding unless the disposal of the remaining assets (the turbines) takes place.

As a result of this, given the uncertainties regarding a potential sale of the turbines the Directors have identified a need to raise further equity in the Company and are actively engaged with a third party representing existing shareholders to advance this strategy. As at the time of approval of these financial statements, nothing has been agreed, but management believes that additional funding will be raised to allow the Company to operate beyond 30 September 2027.

While the Directors are confident that sufficient finance will be available to the Company to continue in operational existence beyond September 2027 should either the turbines not be sold or additional fundraising not be achieved, there is likely to be insufficient resource to fund the Company as far as 30 September 2027 and they acknowledge that this amounts to a material uncertainty.

Directors' report (continued)
For the year ended 30 June 2025

Directors

The directors who served during the year were:

A H Coveney
P R A Shackleton
I J B Murphy (appointed 3 September 2024, resigned 8 May 2025)

Directors' indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate directors' and officers' liability insurance cover is in place in respect of all the Directors.

Risk management and objectives

The financial risk management policies and objectives are set out in Note 19.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements, in accordance with applicable law.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom in conformity with the requirements of the Companies Act 2006.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the 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 International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Directors' report (continued)
For the year ended 30 June 2025

Disclosure of information to auditors

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

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

Post year end events

Subsequent to the year end, the Company completed fundraisings through the issue of new ordinary shares in two tranches, between November 2025 and January 2026 and between February 2026 and April 2026. These fundraisings strengthened the Company's capital position and provided additional working capital to support ongoing operations and the advancement of the Group's strategic objectives.

The Directors have considered events occurring since the year end and up to the date of approval of these Annual Report and Financial Statements. Other than the fundraisings described above, there have been no significant events requiring disclosure in the Directors' Report.

Auditors

The audit registration of Kreston Reeves LLP was transferred to Kreston Reeves Audit LLP on 6 October 2025. Kreston Reeves Audit LLP were formally appointed as auditor to the company on 17 November 2025.

The auditors, Kreston Reeves Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

P R A Shackleton
Director
Date: 29 September 2026

Independent auditors' report to the members of Rurelec PLC

Opinion

We have audited the financial statements of Rurelec PLC for the year ended 30 June 2025 which comprise the Statement of profit or loss and other comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of material accounting policies set out on pages 18 - 21. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to Note 3.1 in the financial statements, which indicates that the Company has identified a need to realise either a sale of its assets held for resale or to raise additional equity funding to continue in operational existence beyond September 2027. As stated in Note 3.1 while the company remains in ongoing discussions with multiple interested parties regarding the potential sale of the assets held for resale, at the time of approval of these financial statements no sale has been agreed and therefore sufficient funding to operate beyond September 2027 has not yet been secured.

This condition indicates the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Company was unable to secure the additional funds required through either a sale of its assets held for resale or by securing additional equity funding. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the members of Rurelec PLC (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report to the members of Rurelec PLC (continued)

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and the industry it operates in, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of noncompliance with laws and regulations related to health and safety, anti-bribery and employment law. 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 and taxation legislation.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. 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 manipulate profits, and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of the assets held for sale. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries using automated data analytics, in particular any manual entries made at the year end for financial statement preparation, and
- Physical verification of the assets held for sale.

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.

Independent auditors' report to the members of Rurelec PLC (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Michael Cook BA (Hons) FCA (Senior statutory auditor)
for and on behalf of
Kreston Reeves Audit LLP
Statutory Auditor
London
Date: 29 September 2026

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	Year ended 30 June 2025 £000	18 month period ended 30 June 2024 £000
Revenue		**-**	-
Gross profit		**-**	-
Other income	5	**-**	181
Other operating expenses	5	**-**	(103)
Administrative expenses		**(720)**	(1,259)
Exchange rate loss		**(343)**	(384)
Cochrane loan provision	7	**-**	(17)
Impairment losses		**-**	(2,689)
Loss from operations		**(1,063)**	(4,271)
Finance income	12	**2**	3
Loss before tax		**(1,061)**	(4,268)
Tax expense	13	**-**	-
Loss for the year		**(1,061)**	(4,268)
Total comprehensive income		**(1,061)**	(4,268)

There were no items of other comprehensive income during the period. Total comprehensive income for the period is equal to the loss for the period.

The notes on 17 to 32 form part of these financial statements.

Rurelec PLC
Registered number: 04812855

Statement of financial position
As at 30 June 2025

	Note	2025 £000	2024 £000
Assets			
Current assets			
Trade and other receivables	15	**442**	129
Cash and cash equivalents	16	**76**	727
Assets held for sale	14	**4,374**	4,745
Total assets		**4,892**	5,601
Liabilities			
Current liabilities			
Trade and other payables	17	**735**	383
Total liabilities		**735**	383
Net assets		**4,157**	5,218
Issued capital and reserves			
Share capital	20	**71**	71
Share premium		**435**	435
Deferred shares	20	**5,558**	5,558
Retained losses		**(1,907)**	(846)
Total equity		**4,157**	5,218

The financial statements on 13 to 32 were approved and authorised for issue by the board of directors and were signed on its behalf by:

A H Coveney
Director Date: 29 September 2026

P R A Shackleton
Director
Date: 29 September 2026

The notes on 17 to 32 form part of these financial statements.

Statement of changes in equity
For the year ended 30 June 2025

	Share capital	Share premium	Deferred shares	Retained losses	Total equity
	£000	£000	£000	£000	£000
At 1 January 2023	5,614	-	-	4,545	10,159
Loss for the period	-	-	-	(4,268)	(4,268)
Total comprehensive income for the year	-	-	-	(4,268)	(4,268)
Dividends	-	-	-	(1,123)	(1,123)
Share capital issued	15	435	-	-	450
Reclassification of shares	(5,558)	-	5,558	-	-
Total contributions by and distributions to owners	(5,543)	435	5,558	(1,123)	(673)
At 30 June 2024	**71**	**435**	**5,558**	**(846)**	**5,218**
At 1 July 2024	71	435	5,558	(846)	5,218
Loss for the year	-	-	-	(1,061)	(1,061)
Total comprehensive income for the year	-	-	-	(1,061)	(1,061)
At 30 June 2025	**71**	**435**	**5,558**	**(1,907)**	**4,157**

The notes on 17 to 32 form part of these financial statements.

Statement of cash flows
For the year ended 30 June 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Loss for the year		**(1,061)**	(4,268)
Adjustments for			
Foreign exchange losses		**343**	287
Impairment of assets held for sale		**-**	2,689
Gain on disposal of assets		**-**	(137)
Finance income	11	**(2)**	(3)
Loss on disposal of assets held for sale		**-**	103
		(720)	(1,329)
Movements in working capital:			
Increase in trade and other receivables	15	**(313)**	(40)
Increase/(decrease) in trade and other payables	17	**352**	(101)
Cash generated from operations		**(681)**	(1,470)
Net cash used in operating activities		**(681)**	(1,470)
Cash flows from investing activities			
Proceeds on sale of assets		**-**	2,369
Net cash from investing activities		**-**	2,369
Cash flows from financing activities			
Dividends paid	21	**-**	(1,123)
Other interest received	11	**2**	3
Issue of ordinary shares		**-**	450
Net cash from/(used in) financing activities		**2**	(670)
Net (decrease)/increase in cash and cash equivalents		**(679)**	229
Cash and cash equivalents at the beginning of year		**727**	446
Exchange gains on cash and cash equivalents		**28**	52
Cash and cash equivalents at the end of the year		**76**	727

The notes on 17 to 32 form part of these financial statements.

Notes to the financial statements
For the year ended 30 June 2025

1. Reporting entity

Rurelec PLC ("Rurelec" or the "Company") is a limited company incorporated in England and Wales. The Company's registered office is at 5 St. John's Lane, London, EC1M 4BH. The Company's shares were traded on the AIM market of the London Stock Exchange up until its delisting on 12 June 2024.

The financial statements are for the year ended 30 June 2025. The prior period was for the 18 months ended 30 June 2024.

The Company's principal activity is detailed in the Directors' Report.

2. Basis of preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards, in conformity with the requirements of the Companies Act 2006.

The principal accounting policies adopted in the preparation of the financial statements are set out in note 3. The policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements for the year ended 30 June 2025 solely reflect the financial affairs of the Company and are not inclusive of consolidated figures.

The financial statements are presented in Pound Sterling (£) which is also the functional currency of the Company. Amounts are rounded to the nearest thousand, unless otherwise stated.

Amounts are rounded to the nearest thousand, unless otherwise stated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the financial statements and their effects are disclosed in note 4.

2.1 Basis of measurement

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of the assets held for sale at fair value.

2.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 July 2024

The following standard has been amended and adoption is mandatory for periods beginning on or after 1 July 2024, with early adoption permitted, none of these standards had a material impact on the Annual Report and Accounts:

- Amendments to IAS 21: Lack of exchangeability

Notes to the financial statements
For the year ended 30 June 2025

2. Basis of preparation (continued)

2.2 Changes in accounting policies (continued)

i) New standards, interpretations and amendments effective from 1 July 2024 (continued)

ii) New standards, interpretations and amendments not yet effective

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

- Amendments to IFRS 9 and IFRS 7: Classification and measurement of financial instruments (mandatory effective date - 1 January 2026)
- IFRS 18: Presentation and disclosure in Financial Statements (mandatory effective date - 1 January 2027)
- IFRS 19: Subsidiaries without Public Accountability Disclosures (mandatory effective date - 1 January 2027)

The Directors do not expect that the adoption of these standards will have a material impact on the financial information of the Company in future periods.

3. Accounting policies

3.1 Going concern

Accounting standards require that Directors satisfy themselves that it is reasonable for them to conclude whether it is appropriate to prepare financial statements on a going concern basis. In assessing the going concern position of the Company, the Directors have taken into account the uncertainties, cash flows, and implementation of revised strategy. The Directors have reviewed financial projections and strategy to 30 September 2027 and have considered projections for a base case and a stress case.

At the date of the signing of the Financial Statements, having considered Rurelec’s current cash balances and the cash forecasts, the Directors believe, bearing in mind the outgoings of the Company, there is currently insufficiently working capital to avoid the need to seek further funding unless the disposal of the remaining assets (the turbines) takes place.

As a result of this, given the uncertainties regarding a potential sale of the turbines the Directors have identified a need to raise further equity in the Company and are actively engaged with a third party representing existing shareholders to advance this strategy. As at the time of approval of these financial statements, nothing has been agreed, but management believes that additional funding will be raised to allow the Company to operate beyond 30 September 2027.

While the Directors are confident that sufficient finance will be available to the Company to continue in operational existence beyond September 2027 should either the turbines not be sold or additional fundraising not be achieved, there is likely to be insufficient resource to fund the Company as far as 30 September 2027 and they acknowledge that this amounts to a material uncertainty.

3.2 Other operating income

Other operating income represents all other income received by the Company. This includes income received as a result of the disposal of Patagonia Energy Ltd (PEL) and Cochrane Power Ltd as assets held for sale, in the previous year. This income is recognised at fair value where there are reasonable assurances that the amount will be received once all conditions are met.

Notes to the financial statements
For the year ended 30 June 2025

3. Accounting policies (continued)

3.3 Foreign currency translation

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.4 Expense recognition

Operating expenses are recognised in the income statement upon utilisation of the service or at the date of their origin. All other income and expenses are reported on an accrual basis.

3.5 Finance income

Finance income relates to other financial income on interest that is recognised in profit and loss when earned.

3.6 Dividends

Dividends, other than those from investments in associates and joint ventures, are recognised at the time the right to receive payment is established.

3.7 Borrowing costs

All borrowing costs are expensed as incurred except where the costs are directly attributable to specific construction projects, in which case the interest cost is capitalised as part of those assets.

3.8 Impairment of assets held for sale

At each reporting date, the Company reviews the carrying amount of its assets held for sale to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement. Rurelec recognises a cash-generating unit by its ability to independently earn income. The Company carries each cash-generating unit in an individual special purpose company, so they are easily recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

3. Accounting policies (continued)

3.9 Taxation

Current income tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement or through the statement of changes in equity.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of carrying amounts of assets and liabilities in the financial statements with their respective tax bases. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised in respect of non-tax-deductible goodwill. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided for in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided that they are enacted or substantively enacted at the reporting date.

Deferred tax is provided on differences between the fair value of assets and liabilities acquired in an acquisition and the carrying value of the assets and liabilities of the acquired entity and on the differences relating to investments in subsidiary and joint venture companies if the difference is a temporary difference and is expected to reverse in the foreseeable future.

Changes in deferred tax assets and liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are accounted for through other comprehensive income or charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity or other comprehensive income.

3.10 Financial assets

Rurelec's financial assets include cash and cash equivalents and receivables, held at amortised cost.

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as bank deposits.

Receivables are measured initially at fair value and subsequently remeasured to test for impairment, the carrying value is less provision for impairment. Any impairment is recognised in the income statement.

3.11 Financial liabilities

Financial liabilities are obligations to pay cash or other financial instruments and are recognised when Rurelec becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised only when the obligation is extinguished, that is when the obligation is discharged, cancelled or expires.

Bank and other loans are raised for support of short-term funding of the Company's operations. They are recognised initially at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Finance charges, including premiums payable on settlement or redemption, and direct issue costs are charged to the income statement on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Notes to the financial statements
For the year ended 30 June 2025

3. Accounting policies (continued)

3.12 Short term leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.13 Shareholders' equity

Equity attributable to the shareholders of the Company comprises the following:

“Share capital” represents the nominal value of equity shares.

“Share premium” represents the premium on issue of equity shares, net of any issue costs.

“Deferred shares” represents shares which are only entitled to a dividend once ordinary shareholders have been paid a specified minimum dividend.

“Retained earnings” represents all cumulative realised profits less cumulative realised losses and distributions made.

3.14 Pension

Under the Pensions Act 2008, every employer in the UK must put certain staff into a workplace pension scheme and contribute towards it. This is called “automatic enrolment”. The Company’s staging date was 1 October 2017. The Company chose to set up its auto enrolment contribution plan pension scheme with NEST which ensures access to suitable, low-charge pension provision to meet the new duty to enrol all eligible workers into a workplace pension automatically.

The Company also offers a Salary Sacrifice Scheme within NEST by which employees sacrifice part of their salary in exchange for the Company to make an employer contribution on their behalf to the pension scheme and also to contribute their national insurance savings on the amount sacrificed by the employee.

During the period under review, the Company continued its contributions to the contribution plan NEST Pension scheme.

3.15 Non-current assets held for sale and discontinued operations

Rurelec classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset, and the sale expected to be completed within one year from the date of classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Notes to the financial statements
For the year ended 30 June 2025

4. Accounting estimates and judgments

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income from loan repayment receipts and asset sales and expenses. The actual results may differ from the judgements, estimates and assumptions made and will seldom equal the estimated results. The areas which management consider are likely to be most affected by the significant judgements, estimates and assumptions on recognition and measurement of assets, liabilities, income and expenses are:

Valuation of assets held for sale

Management review assets held for sale at each balance sheet date to determine whether there is, in their judgement, any indication that those assets have suffered an impairment loss. The key assumption used in the assets held for sale annual impairment assessment is estimating the residual value of the assets.

Based on the market demand, the directors apply judgement to estimate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The sale of these units is dependent on a customer undertaking a suitable project as this size of older turbine are very rarely bought “for stock” – they would only be bought by a buyer with a specific project in mind in an appropriate territory where such turbines are permitted to operate. Hence the exact timing of a future sale remains uncertain, as this introduces a natural unpredictability to the timing and value of receipts from such sales.

Consolidation

The Company has not prepared consolidated financial statements. In assessing its investments and interests in other entities, the directors have considered the requirements of IFRS 10 Consolidated Financial Statements and concluded that the Company does not have control over any material subsidiary, investee or structured entity requiring consolidation.

5. Other operating income and expenses

	Year ended 30 June 2025 £000	18 month period ended 30 June 2024 £000
Director's fee	**-**	14
Other operating income	**-**	30
Gain on sale of assets (1)	**-**	112
Gain on sale of Cochrane Power Ltd (2)	**-**	25
	-	181

(1) Transformers held were sold on 9 March 2023.

(2) On 8 December 2023, Cochrane Power Limited and its Chilean subsidiaries were disposed of by Rurelec Plc. A sum of £25k has been received, being the total consideration for the disposal.

Notes to the financial statements
For the year ended 30 June 2025

6. Administration expenses

	2025	2024
	£000	£000
Payroll and social security	**301**	513
Services, legal and professional	**217**	392
Office costs and geneal overheads	**140**	296
Auditors remuneration for audit of the Company	**39**	40
Other expenses	**23**	18
	720	1,259

7. Cochrane loan provision

	Year ended 30 June 2025	18 month period ended 30 June 2024
	£000	£000
Cochrane loan provision	**-**	17

A loan provision was recognised in relation to a loan held with Cochrane Power Ltd. The term of the loan was payable on demand.

8. Auditors' remuneration

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

	Year ended 30 June 2025	18 month period ended 30 June 2024
	£000	£000
Fees payable to the Company's auditors for the audit of the Company's financial statements	**28**	40
Fees payable to an associate of the Company's auditors in relation to the preparation of financial statements	**3**	-

Notes to the financial statements
For the year ended 30 June 2025

9. Employee benefit expenses

	Year ended 30 June 2025 £000	18 month period ended 30 June 2024 £000
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**277**	480
National insurance	**15**	20
Defined contribution pension scheme cost	**9**	13
	301	513

Included within employee costs is an amount paid to Coveney Associates Consulting Ltd, a company in which A Coveney is a director, totalling £88k (2024: £202k). Employee costs also include £2.5k (2024: £Nil) paid to Barcroft Mills Ltd, a company in which P R A Shackleton is a director

The monthly average number of persons, including the directors, employed by the Company during the year was as follows:

	2025 No.	2024 No.
Management	**2**	2
Administration and development	**2**	2
	4	4

10. Directors' remuneration

	Year ended 30 June 2025 £000	18 month period ended 30 June 2024 £000
Directors' emoluments	**157**	292

Notes to the financial statements
For the year ended 30 June 2025

11. Impairment losses

	Year ended 30 June 2025 £000	18 month period ended 30 June 2024 £000
Impairment of assets held for sale	-	(2,689)
	-	(2,689)

12. Finance income and expense

Recognised in profit or loss

	Year ended 30 June 2025 £000	18 month period ended 30 June 2024 £000
Finance income		
Other interest receivable	**2**	3
Net finance income recognised in profit or loss	**2**	3

Notes to the financial statements
For the year ended 30 June 2025

13. Tax expense

13.1 Income tax recognised in profit or loss

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2025	18 month period ended 30 June 2024
	£000	£000
Loss for the year	**(1,061)**	(4,268)
Loss before income taxes	**(1,061)**	(4,268)
Tax using the Company's domestic tax rate of 25% (2024: 25%)	**(265)**	(1,067)
Tax effect not deductible in determining taxable profits	**-**	17
Effect of tax losses not recognised as deferred tax assets	**265**	1,050
Total tax expense	**-**	-

The estimated accumulated unrecognised deferred tax asset is £5.13 million (2024: £4.87 million), based on cumulative tax losses of £20.51 million (2024: £19.46 million) at 25%. A deferred tax asset is not recognised as an asset due to the uncertainty of its utilisation against future profits.

Notes to the financial statements
For the year ended 30 June 2025

14. Assets and liabilities classified as held for sale

(i) Assets held for sale

	2025 £000	2024 £000
Plant and equipment - brought forward	**4,745**	7,773
Plant and equipment - exchange rate movement	**(371)**	(339)
Plant and equipment - impairment	**-**	(2,689)
Assets held for sale	**4,374**	4,745

It is the Company's intention to sell the two Siemens Westinghouse 701 128 MW gas turbine generators ("701s") in the next 12 months. As at 30 June 2025, no sale had been concluded. Subsequent to period end discussions remain ongoing with regard to the sale.

During the period ended 30 June 2025, the carrying value was tested for impairment and the directors considered that no further impairment had occurred.

A reduction of £371k has been recognised due to exchange rate variances during the period.

As at 30 June 2025, total assets held for sale by the Company was £4,374k (2024: £4,745k).

15. Trade and other receivables

	2025 £000	2024 £000
Tax receivable - VAT	**1**	21
Other receivables	**430**	16
Prepayments	**11**	92
Total trade and other receivables	**442**	129

All trade and other receivables are unsecured and are not past their due by dates. The fair values of receivables are not materially different to the carrying values shown above.

16. Cash and cash equivalents

	2025 £000	2024 £000
Cash and short term bank deposits	**76**	727

Cash and short-term bank deposits are held, where the balance is material, in interest-bearing bank accounts, accessible at between 1 and 30-days' notice. The effective average interest rate is less than 1 per cent per annum. Rurelec holds cash balances to meet its day-to-day requirements.

Notes to the financial statements
For the year ended 30 June 2025

17. Trade and other payables

	2025 **£000**	2024 £000
Trade payables	**412**	68
Amounts due to related parties	**221**	244
Social security and pension	**12**	8
Accruals	**90**	63
Total trade and other payables	**735**	383

The fair values of trade payables are the same as their book values.

18. Subsidiaries

Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	**Principal activity**	**Place of incorporation and operation**	**Proportion of ownership interest and voting power held by the Company (%)** **2025**	**2024**
Direct investments:				
1) Rurelec Project Finance Limited	Providing funding to parent company	5 St. John's Lane, London, England, EC1M 4BH	100	100
2) SEA Energy S.A.	Production and supply of electricity and associated power infrastructure/services	Plaza Paso 159, Piso 1, Buenos Aires, Argentina	5	5
3) 1947 Oil & Gas LLC	Acquisition, operation and development of oil and gas assets.	251 Little Falls Drive, Wilmington, Delaware 19808, United States	100	100
Indirect investments:				
1) SEA Energy S.A.	Production and supply of electricity and associated power infrastructure/services	Plaza Paso 159, Piso 1, Buenos Aires, Argentina	95	95

Notes to the financial statements
For the year ended 30 June 2025

19. Financial instruments

Financial risk management

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. Rurelec's risk management is coordinated to secure the Company's short to medium-term cash flows by minimising its exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant risks to which the Company is exposed are described below:

a) Foreign currency risk

Rurelec is exposed to translation and transaction foreign exchange risk. The Company's historic principal trading operations were based in South America and as a result the Company had exposure to currency exchange rate fluctuations in the principal currencies used in North and South America.

b) Interest rate risk

Funds are invested in short-term deposit accounts, with a maturity of less than three months, with the objective of maintaining a balance between accessibility of funds and competitive rates of return.

c) Capital management policies and liquidity risk

Rurelec considers its capital to comprise its ordinary share capital, share premium, deferred shares, accumulated retained losses/earnings and other reserves.

The Company's objective when maintaining capital is to safeguard the entity's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company meets its capital needs primarily by equity financing. The Company sets the amount of capital it requires to fund its project evaluation costs and administration expenses. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Following the Company's delisting, the Company will still meet its capital needs through equity financing in the short term via private placements or strategic partnerships.

The Company does not have any derivative instruments or hedging instruments. It has been determined that a sensitivity analysis will not be representative of its position in relation to market risk and therefore no such analysis has been undertaken.

The following table sets out when the financial obligations fall due:

	2025	2024
	£000	£000
Current - due within 1 year:		
Trade payables	**440**	68
Accruals	**62**	63
Social security and pension	**12**	8
Amount due to related party	**221**	244
Total due within 1 year:	**735**	383

Notes to the financial statements
For the year ended 30 June 2025

d) Credit risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the balance sheet (or in the detailed analysis provided in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying value. The Company's trade and other receivables are actively monitored.

e) Fair values

In the opinion of the Directors, there is no significant difference between the fair values of the Company's assets and liabilities and their carrying values and none of the Company's trade and other receivables are considered to be impaired.

The financial assets and liabilities of the Company are classified as follows:

	Financial assets at amortised cost £000	**Financial liabilities at amortised cost £000**
30 June 2025		
Other receivables < 1 year	**1**	**-**
Cash and cash equivalents	**76**	**-**
Trade payables < 1 year	**-**	**(440)**
Other payables < 1 year	**-**	**(74)**
Amounts due to related party < 1 year	**-**	**(221)**
	77	**(735)**

	Financial assets at amortised cost £000	Financial liabilities at amortised cost £000
30 June 2024		
Other receivables < 1 year	16	-
Cash and cash equivalents	727	-
Trade payables < 1 year	-	(68)
Other payables < 1 year	-	(71)
Amounts due to related party < 1 year	-	(244)
	743	(383)

Notes to the financial statements
For the year ended 30 June 2025

20. Share capital

	£000
As at 1 January 2023	**5,614**
561,387,586 reclassified deferred shares of £0.0099 each	**(5,558)**
148,221,343 ordinary shares issued at £0.0001 each	**15**
As at 30 June 2024	**71**

	£000
As at 1 July 2024	**71**
As at 30 June 2025	**71**

Ordinary shares have no redemption rights and are entitled to full rights to dividends and excess capital on winding up. Deferred shares are only entitled to a dividend once ordinary shareholders have been paid a specified minimum dividend.

As at 30 June 2025, the issued share capital of the Company consists of 709,608,929 ordinary shares and 561,387,586 deferred shares.

21. Dividends

	2025	2024
	£000	£000
Special dividend: £Nil (2024: £0.002) per ordinary share	**-**	1,123

22. Related party transactions

The company had an outstanding loan to its 100% subsidiary Rurelec Project Finance Limited. The loan balance outstanding at the year end date was £221k (2024: £244k).

Key management personnel

During the reporting period the Company paid salaries to directors, who are considered key management personnel which amount to £148,000 (2024: £297,000).

One director provided services of £88,000 (2024: £202,000) under a service agreement contract with Coveney Associates Consulting Ltd.

Notes to the financial statements
For the year ended 30 June 2025

23. Controlling party

The following shareholders control over 10% of the Company:

- John Story: 17.38 % shareholding
- Askar Alshinbayev: 13.61% shareholding

All other shareholders hold less than 10% of the ordinary shares.

The directors consider there to be no ultimate controlling party.

24. Events after the reporting date

Subsequent to the year end, the Company completed a number of share allotments. Between February 2026 and May 2026, a total of 181,159,419 ordinary shares of £0.0001 each were issued, increasing the number of ordinary shares in issue from 709,608,929 to 890,768,348. The share issuances were undertaken at a subscription price of £0.001518 per share.

These transactions represent non-adjusting events occurring after the reporting period and, accordingly, no adjustment has been made to the amounts recognised in these financial statements.

Other than the matters disclosed above, the Directors are not aware of any material events occurring after the reporting period which would require disclosure or adjustment to these financial statements.