Spiritus Mundi plc

Annual Report and Financial Statements

For the period
From 28 April 2021 to 30 September 2022

Registered number 13364657 (England and Wales)

Contents

Company Information

Directors	Zaccheus Chin Leng Peh	Non-Executive Chairman
	Simon Winson Ng	Non-executive Director
	Wes Gordon Lawrence	Non-executive Director
	Wong Fatt Heng	Non-executive Director
	Rachel Stella Jan Maguire	Non-executive Director
Company Secretary	Jaspal Singh Sekhon	
Registered Office	8th Floor, The Broadgate Tower 20 Primrose Street London EC2A 2EW United Kingdom	
Registered number	13364657 (England and Wales)	
Auditors	MHA MacIntyre Hudson 11 Merus Court Meridian Business Park Leicester LE19 1RJ United Kingdom	
Legal Advisers	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW United Kingdom	
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD United Kingdom	
Financial PR	IFC Advisory Limited Birchin Court 20 Birchin Lane London EC3V 9DU	
Broker	Stanford Capital Partners Limited Finsgate ,5-7 Cranwood Street London EC1V 9EE United Kingdom	
Company website	www.spiritusmundiplc.com	

Chairman's Statement

Dear shareholder,

I have pleasure in presenting the financial statements for Spiritus Mundi plc ("Spiritus Mundi" or the "Company") covering the period from incorporation of the Company and ended 30 September 2022. During the period, we successfully completed the admission of the Company's ordinary shares to the standard segment of the Official List of the FCA and to trading on the London Stock Exchange ("Admission") in order to facilitate our acquisition strategy.

Spiritus Mundi plc is a special purpose acquisition company that will seek acquisition targets in Europe and Asia in the clinical diagnostics sector to include (but not limited to):

- Clinical laboratory services (clinical lab);
- Clinical Diagnostics (PCR and blood test); and
- Digital Health (Healthcare IT platform).

We believe there are attractive acquisition opportunities in our chosen sectors of laboratory and diagnostic testing, and digital healthcare, particularly in light of how the COVID-19 pandemic has changed the sector dynamics. We plan to use Spiritus Mundi as a vehicle to acquire one or more exciting businesses in these areas in order to generate attractive returns for shareholders.

On behalf of the Board, I would like to thank all our shareholders for their continued support and we look forward to updating the market on our progress in due course.

Financial and other highlights during the period are detailed below.

Financial Highlights

- Net cash as at 30 September 2022 of £941,539
- Net assets as at 30 September 2022 of £927,810
- Operating loss and loss before tax of £714,253
- Basic and diluted loss per share of £0.02

Other Highlights

- Admitted to listing on the Standard Segment of the Official List ("Standard List") on 8 July 2022.
- Raised gross proceeds of £280,000 as part of Admission to the Standard List by placing 5,600,000.
- Ordinary £0.01 Shares issued at a price of £0.05 per share.

Zaccheus Peh
Non-Executive Chairman

Strategic Report

The Directors present the Strategic Report of the Company for the period from 28 April 2021 to 30 September 2022.

Review of Business in the Period

Operational Review

The Company was incorporated in England and Wales on 28 April 2021 as a public limited company under Companies Act 2006 with registered number 13364657. On incorporation, the Company issued 50,000,000 ordinary shares of £0.001 per share issued at par, for total proceeds of £50,000.

On 24 May 2021, the Company subsequently consolidated their shares in a ten (10) for one (1) consolidation of £0.001 ordinary shares, into £0.01 ordinary shares. This left the Company with 5,000,000 ordinary shares of £0.01 per share.

On 12 July 2021, the Company initiated a second fundraise and issued 38,700,000 ordinary shares at £0.03 per share for a total proceed of £1,161,000. The second fundraise was completed at a premium of £0.02 per share which gave rise to share premium of £774,000.

Upon Admission on 8 July 2022, the Company issued 5,600,000 ordinary shares at £0.05 per share for total gross proceeds of £280,000 ("Subscription"). All ordinary shares were admitted by the FCA to the standard segment of the Official List in accordance with Chapter 14 of the Listing Rules and to trading on the Main Market of London Stock Exchange ("Admission").

Strategy

Spiritus Mundi intends to focus on opportunities in the clinical diagnostics sector to be include clinical laboratory services, clinical diagnostics companies and healthcare IT platforms. The Directors are in charge of carrying out the Company's objectives, implementing its acquisition policy and financing and business strategies, as well as managing the Company as a whole. The Board shall examine and make decisions about all acquisitions, divestitures, and other strategic matters.

Financial review

The Company incurred a loss for the period ended 30 September 2022 of £714,253. The loss for the period result from the on-going administrative expenses required to operate the Company and one-off listing cost of £361,581.

Cash flow

Net cash inflow for the period was £941,539. This includes gross proceeds of £1,491,000 for the issue of 49,300,000 Ordinary shares, less costs specifically incurred on the issue of shares of £40,469 charged to share premium, and net operating cash outflows of £508,992 for ongoing and listing costs.

As at 30 September 2022 the Company held £941,539 in cash.

Key Performance Indicators

Other than continued monitoring and minimisation of all operating costs expenditure, there are no key performance indicators for the period to 30 September 2022 as the Company has not completed an acquisition.

Strategic Report (continued)

Principal Risks and Uncertainties

The principal risks and the steps taken by Company to mitigate these risks are as follows:

The Company is a newly formed entity with no operating history

The Company was incorporated in April 2021 and had yet to complete a transaction as at 30 September 2022. Currently, there are no plans, arrangements or understandings with any prospective target company, business or asset regarding an acquisition and the Company may acquire a target company or business that does not meet the Company's stated acquisition criteria. The Company will not generate any revenues from operations unless it completes an acquisition.

As at date of Listing, the Company has appointed 3 more directors to the Board, whose experiences are in multi-discipline both in the healthcare industry focus as well as corporate governance practices. Details of the directors' profile can be found on Page 9-10 of this report.

There is no assurance that the Company will identify suitable acquisition opportunities in a timely manner

The success of the Company's business strategy is dependent on the Directors' ability to identify sufficient suitable acquisition opportunities. The Company cannot estimate how long it will take to identify suitable acquisition opportunities. If the company cannot identify and/or complete an acquisition the Company may need to raise further working capital and/or consider winding up of the Company if it transpires that an acquisition strategy is no longer viable.

Due diligence risk

The Company intends to conduct such due diligence in relation to potential acquisitions. In doing so, the Company will rely on publicly available information and information provided by the relevant target company to the extent such company is willing or able to provide such information and, in some circumstances, third party investigations. Such investigations may fail to reveal or highlight all relevant facts that may be necessary and, if that is the case, issues may arise following completion which could, if they are sufficiently material, result in a material adverse effect on the Company's operations.

The Company may face regulatory hurdles in its target market

The Company's chosen market, the clinical diagnostics sector is highly regulated. Applicable regulations may include those governing the production, handling, transportation and distribution of chemicals, drugs and other similar products, and the authorisation and marketing of medical devised and in vitro (or other) diagnostic medical services. Any breach of these requirements, loss of required licences and authorisations, or any failure to obtain regulatory clearances or approvals for the target company's current or newly developed products and services, or service enhancements could negatively impact the Company's growth, income and profitability.

The target company or business may also be subject to laws and regulations governing government contracts, and failure to address these laws and regulations or comply with government penalties or debarment and lead to a reduction in revenue associated with these customers.

The Company's target market relies on favourable Government policy towards companies operating in the sector. Any government may change policy or introduce legislation that affects the Company and its target sector.

Strategic Report (continued)

Principal Risks and Uncertainties (continued)

The Company may face significant competition for acquisition opportunities

The Company may face competition in some or all acquisition opportunities that it may explore. Such competition may for example come from strategic buyers, other special purpose acquisition companies and public and private investment funds, many of which are well established and have extensive experience in identifying and completing acquisitions. These competitors may possess greater technical, financial, human and other resources, have higher risk tolerances and different sources of funding or are prepared to accept lower returns than the Company. The Company cannot assure Shareholders that it will be successful against such competition. Such competition may cause the Company to be unsuccessful in executing any acquisition or may result in a successful acquisition being made at a significantly higher price than would otherwise have been the case.

In the event that the Company does not identify an acquisition, the Shareholders may be required to take action to wind up the Company

The Company has been incorporated to undertake the acquisition of a target company and/or business. In the event that the Company does not identify a target for acquisition or does not complete an acquisition in the two years post Admission, in order to achieve any return on capital for shareholders, it may be necessary to wind up the Company in order to return any remaining cash to shareholders.

On any such return of capital there can be no assurance as to the particular amount or value of the remaining assets at such future time of any such return of capital either as a result of costs from an unsuccessful acquisition or from other factors, including disputes or legal claims which the Company is required to pay out, the cost of the liquidation and the dissolution process, applicable tax liabilities or amounts due to third party creditors. Upon distribution of assets on a liquidation, such costs and expenses will result in investors receiving less than they invested.

It is the intention of the Directors that in the event that no acquisition has been announced by the second anniversary of Admission shareholders will be consulted as to the on-going direction and activities of the Company.

On-going economic uncertainties and global events

The volatile economic situation arising from high inflationary and high interest rate market as well as geo-political unrest, amidst the gradual recovery from the Covid pandemic, may present a wide range of potential issues or complications for the Company, most of which are currently unascertainable.

Any further restrictions caused by COVID-19 may impact on the Company’s ability to source and execute acquisitions, together with having an impact on the financial performance of any target companies, particularly if the movement of people is again restricted.

Other macroeconomic and global issues, such as those resulting from the ongoing hostilities between Russia and Ukraine, may affect the wider economic environment and make any acquisition opportunities available to the Company less attractive, or reduce the returns available to shareholders.

The heightened focus on healthcare and access to testing as a result of COVID-19, has increased the probability of changes to future government health care policy. Any changes to the legislation applicable to, or the regulatory status of, the Company, or the Company’s underlying investments, could affect the Company’s ability to provide returns to Shareholders.

Strategic Report (continued)

Key Personnel

The Company does not currently trade and has no employees other than the Directors. The Company has minimal environmental and social impact in its current state. The Directors will ensure that when the Company makes an acquisition, they have sufficiently considered the acquisition's potential impact on both the environment and its consideration of social corporate responsibilities and will ensure that appropriate safeguards are in place.

Analysis by gender at the end of the period

	Directors	Senior management	Employees
Male	4	-	-
Female	1	-	-

Section 172 Statement

Under section 172 of the Companies Act 2006 ("Section 172"), a director of a company must act in a way that they consider, in good faith, and would most likely promote the success of the company for the benefit of its members as a whole, taking into account the non-executive list of factors set out in Section 172.

Section 172 also requires directors to take into consideration the interests of other stakeholders set out in Section 172(1) in their decision making.

The Company, as a special purpose acquisition vehicle seeking an acquisition that: has yet to complete an acquisition; has no employees; and has a Board and business which came together in conjunction with the Company's Admission, has had relatively little interaction with its members and internal stakeholders during the period from Admission to 30 September 2022 (the "Reporting Period").

Engagement with our members plays an essential role throughout our business. We are cognisant fostering an effective and mutually beneficial relationship with our members. Our understanding of our members is factored into boardroom discussions and decisions regarding the potential long-term impacts of our strategic decisions.

Post the Reporting Period end, the Directors have continued to have regard to the interests of the Company's stakeholders, including the potential impact of its future activities and acquisition strategy on the community, the environment and the Company's reputation, when making decisions. The Directors also continue to take all necessary measures to ensure the Company acting in good faith and fairly between members and is promoting the success of the Company for its members in the long term.

As outlined above, the Company did not retain any employees during the Reporting Period and therefore this Section 172 statement does not make reference to how we consider their interests. The Company will monitor the need to incorporate the interests of employees in its decision making as the Company grows.

The table below acts as our Section 172 statement by setting out the key stakeholder groups, their interests and how the Company engages with them. Given the importance of stakeholder focus, long-term strategy and reputation to the Company, these themes are also discussed throughout this Annual Report.

Strategic Report (continued)

Section 172 Statement *(continue)*

Stakeholder	Their interests	How we engage
Investors	• Comprehensive review of financials • Business sustainability • High standard of governance • Success of the business • Ethical behaviour • Awareness of long-term strategy and direction	• Regular reports and analysis on investors and shareholders • Annual Report • Company website • Shareholder circulars • AGM • RNS announcements • The engagement of an investor relations adviser
Regulatory bodies	• Compliance with regulations • Company reputation • Insurance	• Company website • RNS announcements • Annual Report • Direct contact with regulators
Partners	• Business strategy • Application of acquisition strategy	• Meetings and negotiations • Reports and proposals • Dialogue with third party stakeholders where appropriate

Approved by the Board on 9 December 2022

Zaccheus Peh
Non-Executive Chairman
9 December 2022

Board of Directors

Chin Leng Zaccheus Peh (ZP), Founder and Non-Executive Chairman

Zaccheus has 15 years' experience in the healthcare industry, including development of clinical diagnostics, laboratory services and medical services. He is the founder of Restalyst, a cancer diagnostic company, growing it from a small one-product start-up into an innovative biomedical company that develops, manufactures and markets a range of clinical cancer diagnostic solutions across the Asia Pacific market. Restalyst holds patents to several clinical cancer diagnostic solutions.

Pursuing development opportunities in the healthcare sector pro-actively and capitalising on Restalyst's success, Zaccheus incorporated Reste Laboratories in 2016 as a service extension. Under Zaccheus' leadership, within a few years into operations, Reste Laboratories secured work from several medical clinics in the eastern part of Singapore where the laboratory is located. In 2021, the laboratory expanded its facilities, establishing a 18,000 square feet laboratory in central Singapore.

Zaccheus's achievements have gained recognition in the healthcare industry, and leveraging on his strong social network, he has built a dynamic core management team consisting of industry experts who are working alongside him to expand ResteLab's footprint in Singapore and regionally. Zaccheus is committed to continuing development of ResteLab and intends Reste to be leading service provider. Prior to setting up Restalyst, Zaccheus has over a decade worth of management experience in various sectors within several multinational companies and SMEs. In these roles, he was recognised for turning loss-making divisions or companies into profitable ones.

Dr Simon Winson NG (SWN), Non-Executive Director

Winson is the Chief Investment Officer and Investment Committee member of Moonfare, a digital private markets platform, operating predominantly in Europe and Asia. He has over 20 years of experience in private equity, investments and investment banking. Prior to his current role, he spent six years with UBS Wealth Management as head of the private markets group and twelve years with the Government of Singapore Investment Corporation (GIC), a Singapore sovereign wealth fund, as a Senior Vice President of Private Equity where he managed significant commitments to a large number of private equity funds and executed a wide range of co-investments. During his tenure at the GIC Winson led and oversaw Investment Committee approval for over US$500m in more than 16 co-investments and commitments of more than US$6bn to over 40 investment funds.

At GIC and UBS Winson managed significant commitments to a large number of private equity funds and multiple co-investments globally. Winson's coverage included a wide representation of growth, mid-market and large buyout funds as well as funds in mezzanine, credit, infrastructure and the distressed space. He has extensive experience in over a dozen direct investments covering a wide range of sectors including TMT, engineering, paper and packaging, waste recycling, retail, insurance and infrastructure. He has served as an advisory board member for over 20 private equity funds. Earlier in his career Winson worked in investment banking and corporate finance in London with Robert Fleming Investment Bank, strengthening his knowledge and experience of the UK and the European markets.

Winson has not previously been a director of a listed entity, but he has been an advisory member and sat on the advisory board of many large private equity funds which invest in private companies and sometimes in public listed companies, including the likes of Apax, CVC and Carlyle Group. These boards do not opine on the investment decisions but do preside on the governance and conflicts that arise in the running of the private equity funds.

Board of Directors (continued)

Wesley Gordon Lawrence (WL), Non-Executive Director

Wesley has more than 35 years of experience in the pathology industry, which helped him build an extensive global network and a strong track record in building pathology assets.

Wesley is currently an industry consultant after retiring in 2019 as CEO of Healius Pathology (Specialist Diagnostics Services), a pathology business in Australia that is part of the ASX-listed Healius Limited group, with revenue of AUD1.2bn, 2,000 locations, 100 labs and 8,000 employees (2020) across Australia. Prior to this, Wesley was the CEO of Laverty Pathology, a provider of pathology and medical diagnostic services to doctors, specialists and hospitals throughout the state of New South Wales.

Wesley started his career in 1992 as a laboratory manager with QML Pathology, a Queensland medical diagnostic provider that operates 400 collection centres, 23 laboratories, 35 pathologists, and over 2,000 staff, offering a comprehensive range of diagnostic pathology tests for more than 15,000 patients per day. During his time at QML Pathology, Wesley was promoted to regional manager for central Queensland in 1999 and regional operations manager in 2002, a role he held until his departure in 2014.

Wong Fatt Heng (WFH), Non-Executive Director

Wong is, since 2019, the CEO of DIAN Diagnostics Group Co., Ltd, a China-based medical diagnostic service provider, trading on the Shenzhen Stock Exchange, with a market cap of approximately US$2.9bn and revenues of US$1.5bn (2020).

Wong started his career in 1982 as a medical technologist at the American Hospital in Singapore. In 1986 he joined the Roche Group where he spent 33 years working in various businesses across the Asia Pacific Region. Starting initially with Roche Diagnostics Asia Pacific, as product manager, he then was appointed as business unit head at Roche Diagnostics Shanghai Limited. After a secondment to Malaysia, he was appointed the General Manager in Roche Diagnostics Shanghai in 2006, a role he held for 13 years.

Wong has Bachelor of Applied Science in Medical Technology from the Curtin University and has been engaged by various academic institutions as visiting professor. For his contribution to the People's Republic of China, in 2016 he was awarded the Chinese Government Friendship Award (the highest award for "foreign experts who have made outstanding contributions to the country's economic and social progress") by the State Administration of Foreign Experts Affairs and received the Honorary Citizen of Shanghai award for "bringing technologies into China that had benefited the medical community, cultivated talent in the field of bioscience and promoted the development of clinical laboratory research".

Rachel Stella Jane Maguire (RSM), Non-Executive Director

Rachel Maguire is a NED and advisor with a finance qualification, bringing listed company experience of audit, risk, nominations and remuneration committees. She has a specialist focus on ESG, governance and stakeholder engagement.

As an entrepreneur, Rachel is founder and CEO of Arko Iris, a business consultancy advising organisations on best practice in investor relations, ESG and corporate governance. She has over 30 years' experience in financial services including 20 years of leadership positions in The City and capital markets. Previous roles include senior management positions at London Stock Exchange including Head of UK Business Development and Head of AIM (UK). Rachel's client experience includes FTSE 250 companies and global companies including Spectris, internationally-based MHP S.E and Euroclear.

Rachel sat for a 6 year term on the Audit & Risk committee of the Royal Yachting Association and is an independent Trustee at the National Paralympic Heritage Trust where she chairs the Finance & Development Committee.

Directors' Report

The Directors present their report with the audited financial statements of the Company for period from 28 April 2021 to 30 September 2022. A commentary on the business for the period is included in the Chairman's Statement on page 3. A review of the business is also included in the Strategic Report on pages 4 to 8.

Principal Activity

The Company's principal activity is to seek an acquisition in the clinical diagnostics sector.

Directors

The Directors who served, at any time during the period were as follows:

Director	Position	Appointed	Resigned
Zaccheus Peh (ZP)	Director	28 April 2021	-
	Non-Executive Chairman	1 July 2021	
Simon Winson Ng (SWN)	Non-Executive Director	1 July 2021	-
Wong Fatt Heng (WFH)	Non-Executive Director	8 July 2022	-
Wesley Gordon Lawrence (WL)	Non-Executive Director	8 July 2022	-
Rachel Stella Jan Maguire (RSM)	Non-Executive Director	8 July 2022	-
Andrew Joseph Raca	Director	28 Apr 2021	1 July 2021

Directors' Interest in Shares

The beneficial interest of the Directors in the ordinary share capital of the Company at 30 September 2022 was:

	Holdings registered in name of Director		Holdings in which Director is deemed to have an interest	
No. of Ordinary Shares	No of shares	% of issued share capital	No of shares	% of issued share capital
Zaccheus Peh [a]	6,140,000	12.45	-	-
Simon Winson Ng	6,600,000	13.39	2,000,000 [b]	4.06
Wong Fatt Heng [c]	2,000,000	4.06	-	-
Wesley Gordon Lawrence	-	-	-	-
Rachel Stella Jan Maguire	-	-	-	-

[a] 6,140,000 shares of Zaccheus Peh were held in Nominee accounts
[b] Simon Winson Ng's deemed interest arises from 2,000,000 shares held by his family office and 2,000,000 warrants arising from IPO subscription.
[c] 2,000,000 shares of Wong Fatt Heng were held in Nominee accounts

The Directors' outstanding options and warrants to take up unissued ordinary shares of the Company at 30 September 2022 were:

	Number of Warrants Vested	Number of Options Vested
Zaccheus Peh	11,140,000*	-
Simon Winson Ng	3,300,000	750,000
Wesley Gordon Lawrence	-	750,000
Wong Fatt Heng	1,000,000	750,000
Rachel Stella Maguire	-	750,000
	15,440,000	3,000,000

* Included in the disclosure above, 1,140,000 warrants awarded arose from IPO subscriptions.

Directors' Report (continued)

In addition to the above, as detailed in note 11 to the financial statements, the company is contractually committed to issue 10,000,000 additional share warrants to ZP on a successful Reverse Takeover acquisition being achieved

The Directors have undertaken that all shares held by Directors and Directors warrants and options are subject to a 12 month lock-in period from date of Listing followed by a subsequent 12 month period where they shall only be entitled to sell shares in such a manner that would not create a disorderly market in the shares.

Employees

The Company has no employees other than the Directors.

Substantial Shareholders

As at 30 September 2022, the total number of issued ordinary shares with voting rights in the Company was 49,300,000. Details of the Company's capital structure and voting rights are set out in note 12 to the financial statements.

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at 22 November 2022.

Party Name	Number of Ordinary Shares	% of Share Capital
Pershing Nominees Limited **	18,790,000	38.11
The Bank of New York (Nominees) Limited **	8,630,000	17.51
Simon Winson Ng*	6,600,000	13.39
Zaccheus Peh*	6,140,000	12.45
Aurora Nominees Limited **	4,970,000	10.08
Wong Fatt Heng*	2,000,000	4.06

* directors
** the nominee companies have not notified the Board of any additional shareholders with more than 3% to the date of approval of the financial statements and the nominee companies do not hold any directors shares not already disclosed here.

Share Capital

During the period and after the period end, the company only has one class of shares, ordinary shares, which all rank pari passu with each other in relation to voting, dividend and capital rights, as discussed in note 12 of the financial statements.

All existing and new shares held by Directors, including any shares exercised under Directors Warrants and Options, are subject to a 12 month lock-in period from date of Listing and followed by a subsequent 12 month period where they shall only be entitled to sell shares in such a manner that would not create a disorderly market in the shares. There are no other restrictions on any other shares.

Directors' Report (continued)

Financial instruments

Details of the use of the Company's financial risk management objectives and policies as well as exposure to financial risk are contained in the accounting policies and note 13 of the financial statements.

Greenhouse Gas (GHG) Emissions

Given the very nature of its operations during the period under review, the company has consumed less than 40,000kwh of electricity and gas in the period and is therefore exempt from the energy and carbon reporting requirement. Following a successful acquisition the Company is aware it may be required to report, once trading has commenced following an acquisition.

Dividends and Dividend policy

The Directors do not propose a dividend in respect of period ended 30 September 2022.

Further income generated by the Company is likely to be re-invested in the Company to implement its strategy. The Directors recognise the importance of dividends to investors and, as the Company's business matures, will keep under review the desirability of paying dividends. Before an acquisition, the Company will only pay dividends to the extent that to do so is in accordance with the Companies Act and all other applicable laws.

The Company intends to deliver returns for shareholders primarily from capital appreciation of the ordinary shares rather than distribution via dividends, as well as potentially through further complementary acquisitions. Any dividends paid are pursuant to the Company's dividend policy above.

Events subsequent to the period end

There have been no significant events since the end of the reporting period.

Corporate Governance

The Directors exercise all powers over the Company's affairs and the Company does not have any other employees.

The Directors, who are all Non-Executive Directors are committed to maintaining high standards of corporate governance and recognise their responsibilities as directors of a public company.

The Board, so far as is practicable given the Company's size and nature, has adopted the QCA Code as its chosen corporate governance framework. However, at present due to the size of the Company, the Directors acknowledge that adherence to certain other provisions of the QCA Code may be delayed until such time as the Directors are able to fully adopt them following an acquisition.

In particular, action will be required in the following areas:

- given the Company's size, the Company has not appointed any executive or independent directors. As the Company grows, the Board will seek to appoint executive and independent directors, one of whom will be appointed as senior independent director;

- the Company is currently too small to have an audit committee, a remuneration committee or a nominations committee established and the appointments to such committees will be revisited upon the completion of an acquisition along with incorporating terms of reference for them;

Directors' Report (continued)

Corporate Governance (continued)

- the QCA Code recommends that companies publish key performance indicators which align with strategy and feedback through regular meetings with shareholders and directors. The Company will not comply with this provision until after such time as it has made an acquisition; and

- given the Company's size, it has not yet developed a corporate and social responsibility policy. One will be put in place at the appropriate time.

The QCA Code identifies ten principles that focus on the pursuit of medium-to long-term value for shareholders without stifling entrepreneurial spirit. Spiritus Mundi's adoption of the QCA principles are summarised in the table below.

No	QCA principle	Spirits Mundi Application
1	Establish a strategy and business model which promote long-term value for shareholders	Spiritus Mundi is a special purpose acquisition company that will seek acquisition targets in Europe and Asia in the clinical diagnostics sector to include (but not limited to): • Clinical laboratory services (clinical lab); • Clinical Diagnostics (PCR and blood test); and • Digital Health (Healthcare IT platform). The Directors believe there are attractive acquisition opportunities in these sectors. The Directors plan to use Spiritus Mundi as a vehicle to acquire one or more exciting businesses in these areas in order to generate attractive returns for shareholders.
2	Seek to understand and meet shareholder needs and expectations	The Board engages with shareholders and the broader investment community via a variety of channels and activities including the annual general meeting, updates to shareholders via reporting and the regulatory news service, and presentations. The Chairman is the primary contacts for investor interaction alongside IFC Advisory, the Company's retained investor relations adviser.
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	Spiritus Mundi's culture is one of openness and this includes seeking feedback and insights from the various stakeholders, in addition to the investor communications described under principle 2. At present the Company has no employees other than the Directors, but the Board is conscious of its wide social responsibilities and these will be a key consideration when assessing potential acquisition opportunities.

Directors' Report (continued)

Corporate Governance (continued)

No	QCA principle	Spirits Mundi Application
4	Embed effective risk management, considering both opportunities and threats, throughout the organization	The Board is responsible for identifying the major business risks faced by the Company and for determining the appropriate course of action to manage those risks. The risks facing the Company are formally considered at Board meetings and by the Directors on an ongoing basis. The risks that the Board consider to be principal risks to the group's business and how they are mitigated are set out in the Strategic Report.
5	Maintain the board as a well-functioning, balanced team led by the chair	The QCA Code requires that boards have an appropriate balance between executive and non-executive directors and that each board should have at least two independent directors. Given the Company's size, the Company has not appointed any executive or independent directors. As the Company grows, the Board will seek to appoint executive and independent directors, one of whom will be appointed as senior independent director.
6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	Details of the background and experience of the Directors of the company are set out in this report. These demonstrate that the Board collectively has the necessary skills and experiences, to execute the Company's strategy effectively. The Directors comprise those with extensive experience in the Company's chosen sectors of focus, a specialist in ESG, governance and stakeholder engagement and an investment specialist.
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	A board self-evaluation process led by the chairman will take place every two years, using a QCA-sponsored questionnaire and process. Low scoring or divergent scoring responses will be discussed, with gaps and actions for improvement identified.
8	Promote a corporate culture that is based on ethical values and behaviours	Given the Company's size, it has not yet developed a corporate and social responsibility policy. One will be put in place at the appropriate time.

Directors' Report (continued)

Corporate Governance (continued)

No	QCA principle	Spirits Mundi Application
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	Formal board meetings are held quarterly to review strategy, management and performance of the Company, with additional meetings between those dates convened as necessary, in particular to review any potential acquisition opportunities. Director attendance at formal board meetings will be documented and disclosed going forward. The Company is currently too small to have an audit committee, a remuneration committee or a nominations committee established and the appointments to such committees will be revisited upon the completion of an acquisition along with incorporating terms of reference for them.
10	Communicate how the company is governed and is performing by maintaining a dialog with shareholders and other relevant stakeholders	The Company's approach to investor and shareholder engagement is described under Principle 2 above. Annual reports, Annual General Meeting notices, regulatory announcements, and other governance-related materials are available from the Company's website.

The Company's approach to dealing with the wider stakeholder group is also detailed in the S172 statement within the Strategic Report.

In line with the Company's adherence to the QCA Code and the Directors fiduciary duties, the Company will hold timely board meetings as issues arise which require the attention of the Board. The Board, led by the Chairman, is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the Directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Company and shareholders as a group at all times.

The Board addresses issues relating to internal control and are responsible for establishing and monitoring systems of internal control. The Directors have implemented a system of internal controls commensurate to the size and nature of the Company, and reviews the effectiveness of systems of control periodically. The Board is 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. It maintains an appropriate process for financial reporting to enable them to ensure that the Company financial statements comply with the Companies Act and other regulatory requirements. The Board has adopted a policy that requires two individuals to approve the Company's financial transactions, ensuring appropriate checks and balances in its bank authorisations and payment processes. Such a system can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board believes that the Company has internal control systems in place appropriate to the size and nature of its business.

Directors' Report (continued)

Corporate Governance (continued)

The Board is also responsible for identifying the major business risks faced by the Company and for determining the appropriate course of action to manage those risks. The Board considers any additional business risks and improvement to the control environment as matters arise and where required, especially in area where opinions and judgements are required, the Company has engaged professionals in certain subject matters to guide the Board accordingly. The Company currently engages the following external advisors:

- Hill Dickinson LLC – legal, company secretarial, governance and regulatory filings;
- Stanford Capital Partners Limited – capital markets; and
- IFC Advisory Limited – investor relations and financial public relations

Additionally, the Board has sought the advice of an independent valuer for the valuation of its warrants and options issued during the period.

The Directors do not believe the Company is of the size that warrants an internal audit function although this will be considered following an acquisition.

Going Concern

As set out in the Strategic Report on pages 4 to 8, the current activity of the company is to explore investment opportunities. The Company ongoing operational costs approximate £260,000 per annum. Based on cash held of £941,539 as at 30 September 2022, it is expected that there is significant headroom to fund costs associated with evaluating acquisitions and investments, including due diligence. On this basis, the Board considers the company to have sufficient resources to remain in operational existence for the foreseeable future.

Auditor

The Board appointed MHA MacIntyre Hudson as auditor of the Company in the period. It has expressed its willingness to continue in office and a resolution to reappoint the firm will be proposed at the Annual General meeting.

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK-adopted International Accounting Standards (UK adopted IFRS).

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 Company and of the profit or loss of the Company for that year. The Directors are also required to prepare financial statements in accordance with the Listing Rules and the Disclosure and Transparency and Guidance Rules of the FCA of the London Stock Exchange for companies whose share are admitted to the Standard Segment of the Official List.

Directors' Report (continued)

Statement of Directors' Responsibilities (continued)

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK adopted IFRS has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' remuneration report comply with Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible to make a statement that they consider that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for the shareholders to assess the Company's position and performance, business model and strategy.

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

Company, and reviews the effectiveness of systems of control periodically and considers any additional business risks and improvement to the control environment as matters arise. The directors do not believe the company is of the size that warrants an internal audit function although this will be considered following an acquisition.

The Board as a whole will be responsible for sourcing Acquisitions and ensuring that opportunities are in conformity with the Company's strategy and culture. The Board will meet periodically to: (i) discuss possible Acquisition opportunities for the Company; (ii) monitor the deal flow and Acquisition in progress; and (iii) review the Company's strategy and ensure that it is up-to-date and appropriate for the Company and its aims.

Details of the Company's business model and strategy are included in the Chairman's Statement and Strategic Report.

Directors' Report (continued)

Statement of Directors' responsibilities pursuant to Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on page 9 to 10 confirm that, to the best of their knowledge and belief:

- the financial statements prepared in accordance with UK adopted IFRS, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Annual Report and financial statements, including the Chairman's Statement, the Strategic Report and the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The report of the Directors was approved by the Board on 9 December 2022 and signed on its behalf by:

Zaccheus Peh
Non-Executive Chairman
9 December 2022
Company number: 13364657

Directors' Remuneration Report

Background

Prior to the admission of the 3 independent directors (WFH, WL and RSM), ZP and SWN considered all aspects of the Directors' remuneration, share options and service contracts.

The Board is in the process of nominating members of the board into the to-be elected Nomination and Remuneration Committee to better manage in a formal and transparent manner, amongst others, the appraisal and performance of directors, elections/re-elections and appointments based on merit for Board approvals and determining the director's independence.

Directors' letter of appointment

Each of the Directors entered into Service Agreements with the Company and continue to be engaged under these agreements until termination or resignation on one month's notice or upon his/her re-election to the board.

The Agreements spell out the scope, role and responsibilities of each director and their required observation of the regulatory requirement as well as the compliance in corporate governance that are required to put in place to manage them.

Each of the Directors have agreed to devote such time as is necessary for the proper performance of their duties which is anticipated to be two days per month

The current Directors' remuneration comprises a fixed gross annual fee and the Directors are reimbursed, on claim basis, for expenses incurred in the course of performing services for the Company.

In event of termination or loss of office, the directors are entitled only to payment of their basic fees in respect of their notice period.

Directors' emoluments and compensations

Particulars of directors' remuneration under the Companies Act 2006 required to be audited, are detailed in the tables below:

Directors' remuneration paid and/or expensed to Directors' remuneration for their services during period ended 30 September 2022 was as follows:

	Directors' Fees	Share based payment cost	Total
	£	£	£
Zaccheus Peh	49,655	180,829	230,484
Simon Winson Ng	35,051	5,864	40,915
Wong Fatt Heng	5,753	2,054	7,807
Wesley Gordon Lawrence	5,753	749	6,502
Rachel Stella Jan Maguire	5,753	749	6,502
Andrew Joseph Raca	-	-	-
	101,965	190,245	292,210

There is no separate Remuneration Committee appointed at the date of this report.

Directors' Remuneration Report (continued)

Directors' emoluments and compensations (continued)

The Directors' options and warrants granted to the Directors during the year as disclosed in Note 11 to the financial and treated as remuneration to the Directors at 30 September 2022 were:

	Number of Warrants		Number of Options
	Unvested	Vested	Vested
Zaccheus Peh	10,000,000*	10,000,000	-
Simon Winson Ng	-	3,300,000	750,000
Wesley Gordon Lawrence	-	-	750,000
Wong Fatt Heng	-	1,000,000	750,000
Rachel Stella Maguire	-	-	750,000
	10,000,000	15,440,000	3,000,000

*These warrants are not issued as at 30 September 2022, but the company is contractually committed to issue 10,000,000 additional share warrants to ZP should a successful Reverse Takeover acquisition is achieved

The Directors have undertaken that all shares held by Directors and Directors warrants and options are subject to a 12 month lock-in period from date of Listing followed by a subsequent 12 month period where they shall only be entitled to sell shares in such a manner that would not create a disorderly market in the shares.

Saved for warrants and options details disclosed above, there were no performance measures associated with any aspect of Directors' remuneration during the period. There were no bonus or incentive plans or any pension plans in place during the period. The Company does not pay contributions in relation to these Directors' Fees paid.

Approved on behalf of the Board of Directors by:

Zaccheus Peh
Non-Executive Chairman
9 December 2022
Company number: 13364657

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRITUS MUNDI PLC

For the purpose of this report, the terms "we" and "our" denote MHA MacIntyre Hudson in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Spiritus Mundi Plc. For the purposes of the table on pages 23 to 25 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA MacIntyre Hudson. The "Company" is defined as Spiritus Mundi Plc. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Spiritus Mundi Plc for the period ended 30 September 2022 which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Cash Flows;
- the Statement of Changes in Equity; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards ("UK Adopted IFRS").

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with UK adopted International Financial Reporting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Board of Directors.

Basis for opinion

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

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 audit procedures to evaluate the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Company's ability to continue as a going concern;
- Making enquiries of the Directors in relation to the long-term strategy of the entity including their strategy in relation to the proposed acquisition of a trading entity and the assumptions used in assessing the appropriateness of adopting the going concern basis of accounting;
- Considering the current nature of the entity being a special purpose acquisition company and the level of ongoing operating costs associated with this activity prior to a successful acquisition being achieved.
- Considering the liquidity of the Company and assessing the availability of sufficient cash resources to settle outstanding liabilities as they fall due and fund the ongoing operating costs; and
- Evaluating the appropriateness of the disclosures 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 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.

Overview of our audit scope and approach
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements and designed and performed audit procedures in response to those risks.

Materiality	The materiality that we used for the financial statements was £46,000, which was determined as 5% of net assets at the period end. Performance materiality was set at 60% of materiality.
Scope	We conducted a full statutory audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.
Key audit matters	The key audit matters that we identified in the period were: • The valuation and accounting treatment of share warrants and options • The accounting treatment of listing and share issuance costs

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement, whether or not due to fraud, we identified. These matters included 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 summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address the matter and key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Findings Report.

Valuation and accounting treatment of warrants and share options

Key audit matter description	Since incorporation through to the period end, the Company has issued several different types of warrants and share options to directors, advisors and investors. The determination of the fair value of warrants and share options to be included in the financial statements is an accounting estimate which is subject to estimation uncertainty and is dependent on subjective judgements and assumptions. The resultant accounting treatment of each warrant and share option is also subject to interpretation and judgement in relation to the interaction between the legal form and terms attaching to the warrant or share option in accordance with IFRS2.
How the scope of our audit responded to the key audit matter	Our procedures over the valuation and accounting treatment of warrants and share options included, but were not limited to, the following: • review of the memorandum prepared by management setting out their proposed accounting treatment and valuation methodology; • obtaining signed deeds for all warrants and share options issued in the period; • reviewing the terms, vesting conditions, and reasons behind the issuance of the warrants or options and considering appropriate accounting treatment in accordance with IFRS2; • assessing the effective grant date of the warrant or option when the entity and the counterparty had established a shared understanding of the terms and conditions of the arrangement; • assessing the competence, capability and objectivity of management's expert; • reviewing valuation model and supporting evidence of key assumptions used therein provided by management and their expert; • appointing our own auditors' expert to review and assess the completeness and reasonableness of management's assumptions and accuracy of the model used; • challenging management and their expert in respect of key assumption impacting the valuation, and flexing assumptions used to assess impact to the financial statements; • reviewing management's disclosures and presentation within the financial statements.
Key Observations	From the audit procedures completed, we are satisfied that warrants and share options have been treated in accordance with IFRS2 and are materially accurately reported and correctly reflected in the financial statements.

Accounting treatment of listing and share issue expenditure

Key audit matter description	Since incorporation through to the period end, the Company has raised capital through various equity issues and undertaken a listing on the London Stock Exchange. The related expenditure in relation to these transactions must be recognised either in equity against share premium or profit or loss.
How the scope of our audit responded to the key audit matter	Our procedures over the accounting treatment of listing and share issue expenditure included, but were not limited to, the following: • reviewing the listing and share issue expenditure incurred by the Company and vouching to supporting documentation to ascertain its nature and origin to establish directly incurred share issuance costs and those connected with the listing. • ensuring costs which were not incremental costs directly attributable to an equity transaction had been expensed; • in respect of transaction costs relating jointly to listing and the issuance of shares through the placement at the time of listing, assessing the rational for the basis of allocation of those joint costs and comparing the proportion allocated by management against the share premium in respect of those costs; • reviewing management's assessment and classification of the expenditure in the financial statements.
Key Observations	From the audit procedures completed, we are satisfied that the accounting treatment of listing and share issue expenditure is materially accurate and correctly reflected in the financial statements.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£46,000
How we determined it	Materiality has been determined with reference to a benchmark of net assets, of which it represents 5%.
Rationale for benchmark applied	We consider net assets to be the main measure by which the users of the financial statements assess the financial performance and success of the Company due to the nature of the business being a special purpose acquisition company and the majority of balances comprising of cash.

Performance materiality	Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality was set at £27,600 (60%).
Reporting threshold	We agreed with the Directors that we would report to them misstatements identified during our audit above £2,300 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons. We also reported to management on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Overview of the scope of our audit
Our audit was scoped by obtaining an understanding of the Company and its environment, including the system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with applicable legal requirements.

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 period for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA rules.

In 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 or in the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

Directors' remuneration report

Those aspects of the Directors' remuneration report which are required to be audited have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the company.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below;

- Obtaining an understanding of the legal and regulatory frameworks that the Company operates in, focusing on those laws and regulations that had a direct effect on the financial statements.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Enquiry of management to identify any instances of known or suspected instances of fraud.
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing legal and professional expenditure in order to assess potential for unrecorded contingent liabilities.
- Reviewing listing and equity issue expenditure for classification and accuracy.
- Reviewing the control systems in place and testing the design and implementation of the controls when applicable.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias.
- Appointing an auditors' expert to review the assumptions and calculations prepared by management in relation to key accounting estimates in connection with share warrants and options.

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.

Other matters which we are required to address

We were appointed by the directors of the company as auditors on 28 September 2022 to audit the financial statements for the period ending 30 September 2022. This is our first period auditing the financial statements which covers the period to 30 September 2022.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Company and we remain independent of the Company in conducting 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 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's members as a body for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard (('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Tobias Stephenson BA ACA (Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson
Statutory Auditor
Leicester, United Kingdom
9 December 2022

Statement of Comprehensive Income

	Note	30 September 2022 £
Continuing operations		
Administrative expenses	4	(714,253)
Operating loss and loss before tax		(714,253)
Taxation	6	-
Total comprehensive loss for the period attributable to the equity owners		(714,253)
Loss per share		
Basic and diluted	7	(0.02)

The notes on pages 33 to 44 form part of these financial statements.
Company number: 13364657

Statement of Financial Position

Company Number: 13364657	**Notes**	**As at 30 September 2022 £**
ASSETS		
Current assets		
Prepayments	8	8,524
Cash and cash equivalents	9	941,539
Total current assets		950,063
TOTAL ASSETS		950,063
LIABILITIES		
Current liabilities		
Other payables	10	22,253
Total current liabilities		22,253
Total Liabilities		22,253
NET ASSETS		927,810
EQUITY		
Share capital	12	493,000
Share premium	12	957,531
Accumulated losses		(522,721)
Total equity		927,810

These financial statements were approved by the Board of Directors and authorised for issue on 9 December 2022.

Zaccheus Peh
Non-Executive Chairman
Company number: 13364657

The notes on pages 33 to 44 form part of these financial statements.

Statement of Cash Flows

	Notes	30 September 2022 £
Cash flow from operating activities		
Loss for the period		(714,253)
Adjustments:		
Share based payments		191,532
Loss for the period before changes in working capital		(522,721)
Changes in working capital		
Increase in prepayments	8	(8,524)
Increase in trade and other payables	10	22,253
Net cash used in operating activities		(508,992)
Cash flows from financing activities		
Proceeds from issue of shares,		1,491,000
Share issue costs		(40,469)
Net cash generated from financing activities		1,450,531
Net increase in cash and cash equivalents		941,539
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalent at the end of the period		941,539

The notes on pages 33 to 44 form part of these financial statements.

Statement of Changes in Equity

	Share Capital	Share Premium	Accumulated Losses	Total Equity
	£	£	£	£
As at 28 April 2021	-	-	-	-
Comprehensive income				
Loss for the period	-	-	(714,253)	(714,253)
Transactions with owners				
Issue of ordinary shares	493,000	998,000	-	1,491,000
Cost to issue shares	-	(40,469)	-	(40,469)
Share based payments	-	-	191,532	191,532
As at 30 September 2022	493,000	957,531	(522,721)	927,810

The notes on pages 33 to 44 form part of these financial statements.

Notes to the Financial Statements

1. Company Information

Spiritus Mundi plc (the "Company'') is a public company limited by shares, listed on the London Stock Exchange, registered in England and Wales. The Company is domiciled in England and its registered office is 8th floor, The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW.

The principal activity of the Company is that of identifying and acquiring investment projects.

This was the Company's first period of operations and the accounting period runs from incorporation on 28 April 2021 to 30 September 2022. Therefore, no comparative figures have been presented.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are presented in its functional currency, pounds Sterling ("£"), rounded to the nearest pound.

2.1 Basis of preparation

These financial statements of the Company have been prepared on a going concern basis in accordance with UK-adopted international Accounting Standards (UK adopted IFRS).

Measurement bases
The Financial Statements have been prepared under the historical cost convention unless otherwise stated. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the financial statements in compliance with UK adopted IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 3.

2.2 Going concern

The Company had £941,539 cash as at 30 September 2022. With an expected ongoing operational cost of £260,000 per annum, there are significant headroom to fund costs associated with evaluating acquisitions and investments, including due diligence. On this basis, the Board considers the company to have sufficient resources to remain in operational existence for the foreseeable future. When a suitable acquisition is identified, further funding will be needed to finance the acquisition.

2.3 New standards, amendments and interpretations to existing standards that are not yet effective

<u>New standards, interpretations and amendments</u>

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The following amendments are effective for periods beginning on or after 1 January 2022:

a) *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);*
b) *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)*
c) *Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 16 and IAS 41); and*
d) *References to Conceptual Framework (Amendments to IFRS 3).*

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies *(continued)*

2.3 New standards, amendments and interpretations to existing standards that are not yet effective *(continued)*

New standards, interpretations and amendments *(continued)*

The following amendments are effective for periods beginning on or after 1 January 2023:

a) *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*
b) *Definition of Accounting Estimates (Amendments to IAS 8); and*
c) *Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).*

The Company does not expect any of the amendments issued by the IASB, but not yet effective, to have a material impact on the Company.

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dated of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss, within administrative expenses.

2.5 Segment reporting

Identifying and acquiring investment projects is the only activity the Company is involved in and is therefore considered as the only operating segment.

The financial information therefore of the single segment is the same as the set out in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows.

2.6 Financial instruments

a) Financial assets

The Company's financial assets comprises solely of cash and cash equivalents. Cash and cash equivalents are carried at amortised cost.

The cash and cash equivalents in the statement of financial position is entirely made up of cash balances with United Overseas Bank Ltd, a counterparty with independent credit ratings on long-term deposits of Aa1/AA-.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies *(continued)*

2.6 Financial instruments *(continued)*

b) Financial liabilities *(continued)*

Initial recognition and measurement *(continued)*

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.7 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting its liabilities. Equity instruments issued by the Company are comprising of

- Share capital, which represents the nominal value of the ordinary shares issued.
- Share premium, which represents premium received on the initial issuing of the share capital. Incremental cost directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds, net of tax.

Accumulated losses, which includes all current period results as disclosed in the Statement of Comprehensive Income.

2.8 Earnings per share

Basic earnings per share is calculated by dividing the loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by weighting the average number of ordinary shares outstanding during the financial period.

Diluted earnings per share is calculated based on the same income figures, divided by the aggregated sum of weighted average number of shares outstanding during financial period and dilutive shares related to share-based compensation plans. If the inclusion of potentially issuable shares could decrease diluted loss per share, the potentially issuable shares are excluded from the weighted average number of shares outstanding used to calculate diluted earnings per share.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies *(continued)*

2.9 Share-based payments

The Company has issued warrants to initial investors and certain counter parties and advisers

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at date of the grant, equating to the date the company and counterparty had a shared understanding of the term and condition of the arrangement. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

2.10 Cash and cash equivalent

Cash and cash equivalents comprise of cash at bank which is subject to an insignificant risk of changes in value.

2.11 Income tax

Income tax for the period presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

3. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognised in the financial information. Although these estimates are based on management's best knowledge of the current events and actions, actual results may ultimately differ from those estimates.

Critical accounting judgements

a. Treatment of listing and share issue costs

As disclosed in Note 2.7 to the financial statements, share premium received is presented net of incremental costs directly attributable to the issuance of shares. In the application of the treatment, listing expenses incurred attributable to both existing shares and new shares, are apportioned on a pro-rata basis, based on number of shares issued at the time of listing.

The total listing costs incurred during the period was £402,050. Of this, £40,469 of listing expenses were apportioned and were recognised net against share premium.

Notes to the Financial Statements (continued)

3. Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical accounting judgements (continued)

b. Non-recognition of deferred tax assets

During the financial period ended 30 September 2022, the Company has accumulated tax losses equivalent to unutilised tax benefits of £27,612. As at 30 September 2022, management has assessed that there is uncertainty over future income at the time of assessment and accordingly, deferred tax assets arising on the tax benefits carried forward has not been recognised.

Key sources of estimation uncertainty

a. Fair value measurement of share-based payments

Share-based payments arrangements are recognised at fair value at the date of the grant. The fair value so determined, based on expert's advice, is expensed based on the Company's estimate of the number of shares that will eventually vest. Fair value is measured using the Binomial Tree pricing model. The key assumptions used in the model have been adjusted, based on management's best estimate following expert's advice on volatility and risk-free rate of returns, as well as the effects of non-transferability, exercise restrictions and behavioural conditions.

During the financial period, the Company has recorded share-based payment expense aggregating £191,532, including £190,245 as presented in the directors' remuneration and £1,287 attributable to share-based payments for suppliers and external counterparties (as disclosed in Note 4) Key estimates included in the fair value model, are disclosed in Note 11 to the financial statements.

4. Loss before Income tax

The breakdown by nature of administrative expenses is as follows:

	30 September 2022 **£**
Accounting fees	3,135
Audit fees	15,000
Directors' remunerations (see Note 5)	292,210
Listing fee – one-off (including share-based charge of **£1,287**)	361,581
Professional fees	15,000
Secretarial fees	20,260
Other costs	7,067
	714,253

Notes to the Financial Statements (continued)

5. Directors' remuneration

The Company has no employees other than the Directors.

	Directors' fees	Share-based payment (see note 11)	Total
	£	£	£
Zaccheus Peh	49,655	180,829	230,484
Simon Winson Ng	35,051	5,864	40,915
Wong Fatt Heng	5,753	2,054	7,807
Wesley Gordon Lawrence	5,753	749	6,502
Rachel Stella Jan Maguire	5,753	749	6,502
	101,965	190,245	292,210

6. Taxation

	30 September 2022
	£
Analysis of charge in period	
Loss before tax on continuing operations	(714,253)
Corporation tax rate of 17%	(121,423)
Non-deductible expenses	93,811
Tax losses carried forward	27,612
Tax charge for the period	-

The Company is managing its operations in Singapore and accordingly, the standard rate of corporation tax applicable for the period was 17 per cent.

The Company has tax losses carried forward of £27,612. The Directors believe that it would not be prudent to recognise any deferred tax assets before such time as the Company generates taxable income.

7. Loss per share

The loss per share has been calculated using the loss for the period and the weighted average number of ordinary shares entitled to dividend rights which were outstanding during the period, as follows:

	30 September 2022
	£
Loss for the period attributable to equity holders of the Company	(714,253)
Weighted average number of ordinary shares	39,022,885
Basic and diluted loss per Share	(0.02)

For the financial period ended 30 September 2022, basic loss per share and diluted loss per share are the same due to effect of warrants and options being non-dilutive in light of the loss per share.

8. Prepayments

	30 September 2022
	£
Prepayments	8,524

Notes to the Financial Statements (continued)

9. Cash and cash equivalents

	30 September 2022 £
Cash at bank	941,539

10. Other payables

	30 September 2022 £
Other payables	356
Accruals	21,897
	22,253

11. Warrants and Options

During the financial period, the Company entered into arrangements to issue share warrants to shareholders in connection with the allotment of ordinary shares, share warrants to advisors of the Company in exchange for their services and share warrants and options to the directors for their services to the Company.

Details of the warrants issued during the period and outstanding as at 30 September 2022 are as follows:

Category of warrants	Number outstanding	Vesting date	Exercise price (£)	Expiry Date
Founder's Warrant I (FW1)	10,000,000	1 July 2021	0.01	8 July 2027
Founder's Warrant II (FW2)	-	Not vested	0.01	2 years from completion of a RTO
Friends & Family Warrants (FFW)	4,300,000	8 July 2022	0.05	Later of completion of a RTO or 12 months from admission
Warrants at Admission (IPOW)	5,600,000	8 July 2022	0.05	
Vendors' Warrants (VW)	986,000	8 July 2022	0.05	
Total	20,886,000			

Founder's Warrant

The Founder of the Company is the only eligible party to participate in Founder's Warrants scheme. A warrant deed was issued dated 30 June 2022, pursuant to the agreement appointing the Founder as the non-executive chairman of the Company on 1 July 2021. The deed finalised the incentives for the achievements of the targets set out in the agreement of 1 July 2021. The warrants are to be issued in 2 tranches, represented by FW1 and FW2 in the table above.

During the financial period, FW1 warrants were issued, following the completion of target subscriptions of shares of the Company. And the warrants were vested on admission date, with an expiry set out as 5 years from the date of admission.

In accordance with the warrant deed, FW2 warrants would represent 100% of the warrants in FW1 (ie. 10,000,000 warrants), to be issued upon completion of a Reverse Takeover acquisition (RTO). These warrants may be exercised in whole or in part, any time and from time to time, from the date of completion of a RTO. FW2 is set out to expire 2 years from the date of RTO. As at 30 September 2022, FW2 warrants have not been issued nor vested, although they are contractually committed and have therefore not been included in the table above.

Notes to the Financial Statements (continued)

11. Warrants and Options (continued)

During the financial period ended 30 September 2022, 10,000,000 warrants were granted, and no warrants were exercised during the period. The Company recognised an aggregated effect of £180,829 (see Note 5) into profit or loss, as a result of the Founder's Warrants. As at 30 September 2022, the Founder of the Company holds a total of 11,140,000 warrants outstanding, comprising of 10,000,000 FW1 warrants and 1,140,000 warrants from IPOW, with further details disclosed below.

Directors' Warrant arising from Directors' services during the fundraising activities of the Company

Certain non-executive Directors were issued 1 warrant for every 2 shares that they invested during the first fund raising round, represented by FFW above, for their services provided to the Company in respect of fundraising and listing.

The exercise price for FFW is priced at the price offered to public at £0.05 per share. These Directors Warrants had vested in full at date of admission on 8 July 2022 and will expire at the later of 12 months from date of admission or the date upon which an RTO is completed.

During the financial period ended 30 September 2022, 4,300,000 warrants were granted, and no warrants were exercised during the period. The Company recognised an aggregated effect of £5,611 (see Note 5) into profit or loss for the FFW issued based on the assumptions as disclosed within this note.

Warrants at Admission (IPOW) and Vendors' Warrants (VW)

Warrants at admission were issued as incentives for subscription at admission at 1 warrant for every share that they invested, whereas vendors' warrants were issued as an opportunity for major advisors to participate in equity in lieu of services provided. These warrants were issued on similar terms as FFW and are priced at the price offered to public at £0.05 per share. These warrants had vested in full at date of admission and will expire at the later of 12 months from date of admission or the date upon which an RTO is completed.

During the financial period ended 30 September 2022, 6,586,000 warrants were granted comprising 5,600,000 warrants for the investors that subscribed for shares at IPO subscription and 986,000 warrants for major advisors to participate in equity. Correspondingly, the Company recognised an aggregated effect of £1,287 into profit or loss for the VW issued based on the assumption listed on this note, represented within listing costs incurred during the financial period.

The costs of the warrants in respect of the IPOW subscription has been subsumed within share premium generated on that issue.

There were no warrants exercised during the period.

Details of the options awarded during the period and outstanding as at 30 September 2022 are as follows:

Category of Options	Number outstanding	Exercise price (**£**)	Expiry Date
Directors' Options issued on:			
1 July 2022 (D1)	750,000	0.03	Later of completion of an RTO
8 July 2022 (D2)	2,250,000	0.03	or 12 months from admission
Total	3,000,000		

Notes to the Financial Statements (continued)

11. Warrants and Options (continued)

The Directors' Share Option scheme was adopted by the Company to encourage and reward the contribution of the Directors to the Company. During the period and at the date of Listing, 750,000 options were granted to each of the Non-Executive Directors. A total of 3,000,000 options were granted and no options were exercised during the period.

The dates of the Directors' Share Options granted were set to correspond to the date of the appointment letters agreed with the directors and vested immediately on issue following listing. The exercise price for these Directors' Options is determined by the issue value of the shares of the Company in the first Fund-raising round priced at £0.03 per share around the time directors' terms were agreed. These Directors Options will expire at the later of 12 months from date of admission or the date upon which an RTO is completed. The Company recognised an aggregated effect of £3,805 into profit or loss for these options issued.

The estimated fair values of warrants and options were calculated by applying the Binomial pricing model. The fair value was measured in accordance with IFRS 2 at fair value (excluding the effect of non-market based vesting conditions) at date of grant. The key assumptions used in the model have been adjusted, based on management's best estimate, for the effects of exercise restrictions, volatility of share interest and behavioural considerations as well as the dilutive effects of exercise. The key assumptions used in the calculation were as follows:

	FW1	FW2	D1 & D2	FFW	IPOW	VW
Share price at grant	£0.03	£0.03	£0.03	£0.05	£0.05	£0.05
Vesting period	0 years	3 years	0 years	0 years	0 years	0 years
Exercise price	£0.01	£0.01	£0.03	£0.05	£0.05	£0.05
Expected volatility	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Risk-free rate	0.36%	0.08%	0.17%	4.32%	4.32%	4.32%
Dividend rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fair value at date of grant	£135,810	£108,047*	£3,805	£5,611	£7,306	£1,287

**FW2 warrants have not been issued and remains unvested as at the end of the financial period.*

The expected volatility was determined by taking reference to the historical volatility rates of quoted companies of comparable background and industry/sector. In arriving at the valuation in respect of FW2 warrants which, although committed, are not granted or vested, the directors have applied a probability of 80% that vesting will occur following a successful RTO, based on historic successful Cash Shell's Reverse Takeover acquisition data trends. The warrants and options as disclosed above, do not contain any cash-settlement options.

The aggregated effects of the warrants and options recognised in profit and loss, comprises:

	30 September 2022
	£
Charged to:	
Directors' Remuneration (Note 5)	190,245
Listing costs	1,287
	191,532

Notes to the Financial Statements (continued)

12. Share capital and share premium

	Number of shares '000	Share capital £	Share premium* £
Issued at incorporation	50,000	50,000	-
Effects of share consolidation at 10 for 1 on 24 May 2021	(45,000)	-	-
Shares issuance on 12 July 2021	38,700	387,000	774,000
Shares issuance on 8 July 2022	5,600	56,000	224,000
At 30 September 2022	49,300	493,000	998,000

*Presented gross of issuance costs, set against share premium of £40,469.

The Company was incorporated in England and Wales on 28 April 2021. On incorporation, the Company issued 50,000,000 ordinary shares of £0.001 per share issued at par.

On 24 May 2021, the Company subsequently consolidated their shares in a ten (10) for one (1) consolidation of £0.001 ordinary shares, into £0.01 Ordinary Shares.

On 12 July 2021, the Company initiated a second fundraise and issued 38,700,000 Ordinary £0.01 shares at £0.01 per share at £0.03 each for a total proceed of £1,161,000. The second fundraise was completed at a premium of £0.02 per share which gave rise to share premium of £774,000.

Upon Admission on 8 July 2022, the Company issued 5,600,000 Ordinary shares at £0.01 at £0.05 per share for total gross proceeds of £280,000 ("Subscription"). All ordinary shares were admitted by the FCA to the Standard segment of the Official List in accordance with Chapter 14 of the Listing Rules and to trading on the Main Market of London Stock Exchange (LSE).

Each Ordinary Share (including Subscription Shares) ranks pari passu for voting rights, dividends and return of capital upon winding up of the Company.

All Ordinary Shares are freely transferable and there are no restrictions on transfer, except for all shares held by Directors including any shares exercised under Directors Warrants and Options, which are subjected to a 12 month lock-in period from date of admission and followed by a subsequent 12 month period where they shall only be entitled to sell shares in such a manner that would not create a disorderly market in the share.

As at 30 September 2022, there were 23,886,000 warrants and 3,000,000 options unissued ordinary shares exercisable as detailed note 11 above. In addition, subject to a successful RTO or an acquisition taking place, another 10,000,000 warrants will be issued.

13. Financial instruments by category

Financial assets

Financial assets measured at amortised cost comprise the following:

	30 September 2022 £
Cash at bank	941,539

Notes to the Financial Statements (continued)

13. Financial instruments by category *(continued)*

Financial liabilities

Financial liabilities measured at amortised cost comprise the following:

	30 September 2022 £
Other payables	356
Accruals	21,897
	22,253

The Company's major financial instruments include bank balances and amounts payables to suppliers. The risks associated with these financial instruments, and the policies on how to mitigate these risks are set out below. Risk management is carried out by Board of Directors. The Company uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risk to which it is exposed.

Liquidity risk

Liquidity risk arises from the Company's management of working capital.

The Company regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Directors have considered the liquidity risk as part of their going concern assessment (note 2.2). Controls over expenditure are carefully managed in order to maintain its cash reserves whilst it targets a suitable transaction.

As at 30 September 2022 the Company's liabilities have contractual maturities which are summarised below:

	Within 6 months 30 September 2022 £	6 to 12 months 30 September 2022 £	1 to 5 years 30 September 2022 £
Trade payables	356	-	-
Accruals	21,897	-	-
Total financial liabilities	22,253	-	-

Credit risk

The Company's credit risk is wholly attributable to its cash balance. The credit risk from its cash and cash equivalents is limited because the counter parties are banks with high credit ratings and have not experienced any losses in such accounts.

Interest risk

The Company's exposure to interest rate risk is the interest received on the cash held, which is immaterial.

Notes to the Financial Statements (continued)

13. Financial instruments by category *(continued)*

Currency risk

The Company is not exposed to any currency risk at present.

Capital risk management

The Company's capital structure consists mainly of equity share capital and the share premium. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The Company has no borrowings and does not pay dividends. In order to maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. Following an acquisition, the Company may also pay dividends to shareholders.

14. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial period:

	30 September 2022 **£**
Advisory fee	12,000

The above fees relate to advisory fees, paid to VSA Advisory whilst Andrew Raca, a director of VSA Advisory, was an initial director of the company from incorporation to 30 June 2021.

Key management personnel are considered to be the directors. Their remuneration is disclosed in the Directors' Remuneration Report on page 20.

15. Subsequent events

There have been no significant events since the end of the reporting period.