



# **Codex Acquisitions plc**

Annual Report and Financial Statements

For the year ended 31 December 2023

**Registered number 13672588**  
**(Incorporated and registered in England and Wales)**

## **CONTENTS**

|                                   | Page  |
|-----------------------------------|-------|
| Directors and Advisers            | 3     |
| Chairman's Statement              | 4     |
| Strategic Report                  | 5-8   |
| Directors' Report                 | 9-13  |
| Corporate Governance Report       | 14-15 |
| Auditors' Report                  | 16-22 |
| Statement of Comprehensive Income | 23    |
| Statement of Financial Position   | 24    |
| Statement of Cashflows            | 25    |
| Statement of Changes in Equity    | 26    |
| Notes to the Financial Statements | 27-37 |

**CODEX ACQUISITIONS PLC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**DIRECTORS AND ADVISERS**

**Directors**

James Lawson-Brown,  
Chairman and Non-Executive Director

Julio Perez,  
Independent Non-Executive Director

Kate Osborne,  
Independent Non-Executive Director

**Company Secretary**

OHS Secretaries Ltd

**Head Office & Registered Office**

9<sup>th</sup> Floor  
107 Cheapside  
London  
EC2V 6DN

**Auditors**

Johnsons Chartered Accountants  
Ground Floor  
1-2 Craven Road  
London  
W5 2UA

**Registrars and Transfer Office**

Link Market Services Limited  
(trading as Link Group)  
10<sup>th</sup> Floor  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

**Lawyers**

Orrick Herrington & Sutcliffe (UK) LLP  
107 Cheapside  
London  
EC2V 6DN

**Registered Number**

13672588

**CODEX ACQUISITIONS PLC**  
**CHAIRMAN'S STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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Dear Shareholder,

I am pleased to present the financial statements for the year ended 31 December 2023.

We formed Codex Acquisitions plc ("**Codex**" or the "**Company**") to undertake an acquisition of a controlling interest in a company or business within the renewable energy sector (an "**Acquisition**"). In pursuance of that strategy the Company announced in December 2023, that it entered into non-binding heads of terms ("**HOTs**") to acquire the entire issued share capital of Technologies New Energy S.A. ("**TNE**"), a company incorporated in Portugal operating in the renewable energy sector.

This Proposed Acquisition is expected to constitute a reverse takeover transaction and any consideration for the Acquisition to be wholly share-based via the issuance of new ordinary shares of nominal value 10 pence each in the capital of the Company ("**Ordinary Shares**") (the "**Proposed Acquisition**").

I look forward to reporting our progress to you over the next period.

**Financial**

*Funding*

As at 30 June 2024, the Company has £439,873 in cash. The Company believes that this funding will be sufficient to meet its working capital requirements for the next 12 months should the Proposed Acquisition not be completed by July 2025. In the event the proposed acquisition proceeds to completion, the Company will need to raise further sufficient financing as is required to fund forecasted growth and working capital for TNE.

*Revenue*

The Company has generated no revenue during the period. However, the Company is focusing on completing the Proposed Acquisition that will ultimately generate revenue for the Company.

*Expenditure*

During the period, the Company concentrated on managing its expenditure and on its primary objective of evaluating suitable acquisition targets in the renewable energy sector. A number of targets were considered in this process.

**Dividend**

The statutory directors of the Company (the "**Directors**") do not intend to declare a dividend in respect of the period under review.

**Outlook**

Codex is now focusing on completing the Proposed Acquisition with TNE, which is expected to ultimately lead to a reverse takeover to complete our mission as an investment company and the start of TNE's future as a listed company.



**James Lawson-Brown**

**Chairman; Non-Executive Director**

**9 July 2024**

**CODEX ACQUISITIONS PLC**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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The Directors present the Strategic Report of the Company for the year ended 31 December 2023.

**Review of the business**

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales as a public limited company. The Company's registered office is 9<sup>th</sup> Floor, 107 Cheapside, London EC2V 6DN. The Company's registered number is 13672588.

The Company was formed to undertake an acquisition in the renewable energy sector, looking for potential companies and business assets that will increase shareholder value. As part of its acquisition strategy the Company announced in December 2023, that it entered into HOTs to acquire the entire issued share capital of TNE.

As described in the Prospectus for the Company dated 4 March 2022, the Company should make an acquisition within approximately 24 months of Admission and if no Acquisition had been announced within 24 months of Admission, Shareholders can be given the opportunity to vote to extend the period in which to identify a relevant Acquisition for 12 months or to wind up the Company and return unused cash assets to Shareholders. For good order, the Company now plans to seek authority from shareholders at the Company's 2024 AGM to extend the authority for a further 12 months.

**Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole**

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006 ("**s172**").

The requirements of s172 are for the Directors to:

- consider the likely consequences of any decision in the long term;
- act fairly between the members of the Company;
- maintain a reputation for high standards of business conduct;
- consider the interests of the Company's employees;
- foster the Company's relationships with suppliers, customers and others; and
- consider the impact of the Company's operations on the community and the environment.

The Company operates as a cash shell with its Ordinary Shares admitted to listing on the standard segment of the Official List of the Financial Conduct Authority ("**FCA**") ("**Standard Listing**") and to trading on the main market for listed securities ("**Main Market**") of London Stock Exchange plc ("**LSE**"). The pre-revenue nature of the business as a cash shell, prior to the completion of its acquisition strategy, is important to the understanding of the Company by its members and suppliers, and the Directors were as transparent about the cash position and funding requirements as is allowed under applicable FCA and LSE regulations.

The Directors believe they have met the requirements of s172 by implementing the following measures:

*Consideration of Long-Term Consequences*

The Directors have consistently taken into account the likely consequences of any decision in the long term. They have conducted comprehensive risk assessments and scenario analyses to evaluate the potential impacts on the company's financial performance, market position, and sustainability. By considering the long-term consequences, the Directors have made strategic decisions that prioritise the Company's growth, profitability, and value creation for its members.

**CODEX ACQUISITIONS PLC**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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*Fair Treatment of Members*

The Directors have acted fairly between the members of the company. They have ensured that all shareholders are treated equitably and have made efforts to protect the rights and interests of minority shareholders. The Directors have facilitated transparent and inclusive decision-making processes, providing opportunities for shareholders to express their views and concerns.

*Maintenance of High Standards of Business Conduct*

The Directors have maintained a reputation for high standards of business conduct. The Directors have actively promoted a culture of integrity, transparency, and accountability, leading by example in their own behavior. They have also established internal controls and monitoring mechanisms to ensure adherence to legal and regulatory requirements, preventing unethical practices and maintaining the company's reputation.

*Fostering Relationships with Stakeholders*

The Directors have actively fostered the company's relationships with suppliers and other stakeholders. They have engaged in regular communication with key stakeholders, seeking their feedback and understanding their needs and expectations. By maintaining strong stakeholder relationships, the Directors have ensured the company's continued success and long-term value creation.

*Consideration of Impact on the Community and Environment*

The Directors have taken into consideration the impact of the company's operations on the community and the environment. They have implemented sustainable practices, such as reducing waste, minimizing emissions, and promoting energy efficiency.

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during the year ended 31 December 2023:

- any contracts for services provided have been undertaken with a clear cap on financial exposure.

**Key performance indicators**

Given the focus of the Company on growth through completion of acquisitions the only key performance indicators adopted by the Company's board of Directors (the "Board") to date is the number of acquisitions made. The Company has made no Acquisitions since the year ended 31 December 2023.

**As at the year-ended 31 December 2023**

At the year-end the Company's Statement of Financial Position shows net assets totaling £531,840 (31 December 2022 – £582,562). The Company has few liabilities and is considered to have a sufficiently strong cash position at the reporting date.

**Environmental matters**

The Board contains personnel with a good history of running businesses that have been compliant with all relevant laws and regulations and there have been no instances of non-compliance in respect of environmental matters.

**CODEX ACQUISITIONS PLC**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Employee information**

The Company has a Chairman, who is also a Non-Executive Director and two Independent Non-Executive Directors. At present, there is one female Independent Non-Executive Director in the Company. The Company is committed to gender equality and, if future roles are identified, a wide-ranging search would be completed with the most appropriate individual being appointed irrespective of gender.

**Social/community/human rights matters**

The Company ensures that employment practices take into account the necessary diversity requirements and compliance with all employment laws. The Board has experience in dealing with such issues and sufficient training and qualifications to ensure they meet all requirements.

**Anti-corruption and anti-bribery policy**

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010 (as amended) (the "**Bribery Act 2010**"). The Company has conducted a review into its operational procedures to consider the impact of the Bribery Act 2010 and the Board has adopted an anti-corruption and anti-bribery policy.

**Principal risks and uncertainties**

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

*The Company is a newly established company with limited operating history in its own right*

The Company was incorporated in October 2021 and has yet to complete an acquisition as at the year-ended 31 December 2023. Accordingly, the Company has no operating history to date and has yet to demonstrate its ability to integrate acquisitions.

*Failure to complete a targeted acquisition*

There is no certainty that the targeted acquisition of TNE will proceed or that it or any other potential acquisition will be successful. The acquisition of TNE is subject to contract and due diligence.

*Difficulties in acquiring suitable targets*

There is no certainty that the targeted acquisition of TNE will proceed or that it or any other potential acquisition will be successful. The acquisition of TNE is subject to contract, due diligence and the enlarged group's ability to raise funds.

The Company's strategy relies on being able to identify suitable opportunities and to execute these transactions in line with the Company's strategy. If the Company cannot do so, this will have an adverse effect on the Company's financial and operational performance.

*Technology risk*

The companies and businesses that the Company is seeking to acquire are characterised by technological change with many competitors seeking to further develop their technologies. This risk is mitigated by the quality and experience of the Non-Executive Directors as well as those advising them.

*Due diligence risk*

The Company should carry out a full due diligence exercise in relation to potential acquisitions. In doing so, the Company will be required to rely on resources available to it, including public information and information provided by the vendors. 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 has to date used well respected professional advisers to perform due diligence.

**CODEX ACQUISITIONS PLC**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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*The Company will aim to use Ordinary Shares as consideration for completing an acquisition*

The Company intends to use its Ordinary Shares as whole or part consideration for assets. There is no guarantee that as such this will be an attractive offer for the owners of any proposed targets. If the Company needs to use cash financing or debt financing rather than Ordinary Shares, there is no guarantee it will be able to do so on terms acceptable to it. In such a circumstance the Company could be left with substantial unrecovered transaction costs, potentially including fees, legal costs, accounting costs, due diligence or other expenses. The Company has sufficient working capital to meet the expected transaction costs for a potential acquisition.

*Inability to fund operations post-acquisition*

The Company may be unable to fund the operations post-acquisition of future target businesses, if it cannot obtain additional funding. The Company has sufficient working capital to meet its current funding requirements and intends to raise additional funds in conjunction with the completion of any acquisition to provide further operational working capital if needed for future acquisitions.

**Key personnel**

The Company has no employees currently. It has three Non-Executive Directors contracted under letters of appointment.

**Gender analysis**

A split of the Directors by gender during the period is shown below; the Company has no employees:

|           | Male | Female |
|-----------|------|--------|
| Directors | 2    | 1      |

**Sustainability**

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company.

We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

The Board would like to take this opportunity to thank our shareholders and advisors for their support during the year.



**Julio Perez**

**Independent Non-Executive Director**

**9 July 2024**

**CODEX ACQUISITIONS PLC**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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The Directors present their report and the financial statements for the year ended 31 December 2023.

**Principal activity**

The principal activity of the Company during the period was that of identifying potential companies, businesses or asset(s) for acquisition.

**Results**

The Company recorded a loss for the period before taxation of £50,723 (31 December 2022: £237,122).

**Emissions**

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, since the Company, due to its limited activities in the year under review, did not consume more than 40,000kWh of energy, the Company's emissions are not disclosed for this reason.

In the future, the Company will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

**Dividends**

No dividend has been paid during the period nor do the Directors recommend the payment of a final dividend (prior period: £nil)

**Directors**

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

James Lawson-Brown, Chairman, Non-Executive Director

Julio Perez, Independent Non-Executive Director

Kate Osborne, Independent Non-Executive Director

Details of the Directors' holdings of Ordinary Shares are set out in the Directors' Remuneration Report on page 11.

**CODEX ACQUISITIONS PLC**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Share capital**

The Company is incorporated as a public limited company and is registered in England and Wales with the registered number 13672588. Details of the Company's issued share capital, together with details of the movements during the period, are shown in Note 11. The Company has one class of Ordinary Shares and all shares have equal voting rights and rank *pari passu* for the distribution of dividends and repayment of capital.

**Substantial shareholdings**

At 03 June 2024, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

| <b>Shareholder</b>                               | <b>No. of Ordinary Shares</b> | <b>Percentage of issued Share Capital</b> |
|--|-------------------------------|---|
| Vanguard Equity Investments Limited <sup>1</sup> | 375,000                       | 4.41%                                     |
| Solar One Capital Limited <sup>1</sup>           | 1,750,000                     | 20.59%                                    |
| Christopher Selner                               | 420,000                       | 4.94%                                     |
| Costantino Calogero Giardina                     | 2,500,000                     | 29.41%                                    |
| Patricia Dias Almeida                            | 1,000,000                     | 11.76%                                    |
| Nuno Rosado Marcelino                            | 1,000,000                     | 11.76%                                    |
| Jose Meneses da Silva Moura                      | 420,000                       | 4.94%                                     |
| Alex Croft                                       | 420,000                       | 4.94%                                     |
| Miguel Janin                                     | 365,000                       | 4.29%                                     |

<sup>1</sup> Each of Vanguard Equity Investments Limited and Solar One Capital Limited are entities ultimately beneficially wholly owned and controlled by Julio Perez who, as at the time of this report, holds, in aggregate, 2,125,000 ordinary shares, which equates to 25% of the Company's issued share capital.

**Letters of appointment**

The Directors have entered into letters of appointment with the Company and continue to be engaged under these letters of appointment until terminated by the Company.

In the event of termination or loss of office the Director is entitled only to payment of their basic fee in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Directors are allowed to accept external appointments with the consent of the Board, provided that these do not lead to conflicts of interest. Directors are allowed to retain fees paid.

**UK 10-year performance graph**

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company only became listed during the year, is not paying dividends, is currently incurring losses as it gains scale and its focus during the year ended 31 December 2023 was to seek an acquisition. In addition and as mentioned above, the remuneration of Directors was not linked to performance and we therefore do not consider the inclusion

**CODEX ACQUISITIONS PLC**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future reports.

***Implementation Report***

Particulars of Directors' Remuneration

Particulars of Directors' remuneration under the Companies Act 2006 are required to be audited, are given in Notes 5 and further referenced in the Directors' report.

Remuneration paid to the Directors during the year ended 31 December 2023 was £5,000 (2022: £Nil).

There were no performance measures associated with any aspect of Directors' remuneration during the year.

Payments to past Directors

There are no payments in the year to past Directors.

Bonus and incentive plans

There were no bonus and incentive plans in place during the year.

Percentage change in the remuneration of the Chief Executive Officer ("CEO")

The Company does not yet have a CEO and therefore, no CEO disclosure has been presented.

Other matters

The Company does not have any pension plans for any of the Directors and does not pay contributions in relation to their remuneration. The Company has not paid out any excess retirement benefits to any Directors.

Approval by members

The remuneration policy above will be put before the members for approval at the next annual general meeting of the Company ("AGM").

Directors' interests in shares

The Company has no minimum Director shareholding requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 08 April 2024 was:

| Shareholder              | No of Ordinary Shares | Percentage of issued Share Capital |
|--------------------------|-----------------------|------------------------------------|
| Julio Perez <sup>1</sup> | 2,125,000             | 25%                                |

<sup>1</sup> Julio Perez maintains his shareholding via the following two entities, being Vanguard Equity Investments Limited and Solar One Capital Limited, both are entities ultimately beneficially wholly owned and controlled by Julio Perez who, as at the time of this report, holds, in aggregate, 2,125,000 ordinary shares, which equates to 25% of the Company's issued share capital.

Remuneration committee

There is no separate remuneration committee of the Board at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of Directors' remuneration, share options and service contracts.

**CODEX ACQUISITIONS PLC**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements**

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations and those UK-adopted international accounting standards ("**UK-adopted IAS**").

Company law requires the Directors to prepare financial statements for each financial period which present fairly the financial position of the Company and the financial performance and cash flows of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK-adopted IAS have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- provide additional disclosures when compliance with the specific requirements in International Financial Reporting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

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 Company's financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual report includes information required by the Listing Rules of the FCA.

The financial statements are published on the Company's website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

The Directors confirm that to the best of their knowledge:

- the Company financial statements, prepared in accordance with UK-adopted IAS, give a true and fair view of the assets, liabilities, financial position and financial performance of the Company;
- this Annual report includes the 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 it faces; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

**CODEX ACQUISITIONS PLC**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Financial instruments**

The Company has exposure to credit risk, liquidity risk and market risk. Note 14 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

**Events after the reporting period (see Note 17)**

There are no events after the reporting period which have an impact on the annual report and financial statements.

**Directors' Indemnity Provisions**

The Company has taken out Directors and Officers Liability Indemnity insurance.

**Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company announced in December 2023, that it entered into HOTs to acquire the entire issued share capital of TNE. As at 30 June 2024, the Company had £439,873 in cash. Should the proposed acquisition not proceed to completion by July 2025, the Company believes that this funding will be sufficient to meet its working capital requirements for the next 12 months on a standalone basis. In the event the proposed acquisition proceeds to completion, the Company will need to raise further sufficient financing as is required to fund forecasted growth and working capital for TNE for a period of at least 12 months from the date of approval of the financial statements.

There is no guarantee that the directors will be successful in raising the required financing for TNE's future growth and working capital. This matter indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern at the time of approval of the Annual Report and financial statements. The financial statements do not include adjustments should the going concern basis be inappropriate. Nonetheless, in view of the successful placing of shares in the prior period and other available funding options, the directors are confident they will be successful in raising the necessary financing within the next 12 months from the date of approval of the financial statements.

For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

**Donations**

The Company made no political donations during the current and prior periods.

**ON BEHALF OF THE BOARD**



**Julio Perez**

**Independent Non-Executive Director**

**9 July 2024**

### **Corporate Governance Statement**

The Board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on Directors' remuneration on page 11, explains how the Company has observed principles set out in The UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time (the "**UKCGC**") as relevant to the Company and contains the information required by section 7 of the FCA's Disclosure Guidance and Transparency Rules as the Company has sought to adopt these.

The Company has decided not to apply the UKCGC provisions in full given its current size and resources. The Company is a small company with modest resources. The Company has a clear mandate to optimise the allocation of limited resources to source an acquisition and support its future plans. As such the Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Company was listed on the Main Market of the LSE, during the year it is required to follow the UKCGC in the year ended 31 December 2023.

The Company seeks to comply with the UKCGC but due to its limited activities and resources it has opted not to fully implement the UKCGC in respect of the following matters:

### ***Board of Directors and Committees***

The Board currently consists of three Non-Executive Directors, of whom 2 are considered to be independent following completion of the admission of the Ordinary Shares to a Standard Listing and to trading on the Main Market, being Julio Perez and Kate Osborne. It met regularly throughout the year to discuss key issues and to monitor the overall performance of the Company. At its current stage of development, the Board considers all matters, such as Remuneration, Audit and Nominations as a whole. The Directors will actively seek to expand Board membership to provide additional levels of corporate governance procedures at the relevant opportunity.

### ***Audit Committee and financial reporting***

The Audit Committee comprises Julio Perez (Chair), James Lawson-Brown and Kate Osborne, each of whom have recent and relevant financial experience. The Audit Committee meets at least three times a year at the appropriate times in the reporting and audit cycle. The committee has responsibility for, amongst other things, the monitoring of the financial integrity of the financial statements of the Company and the involvement of the Company's auditors in that process. It focuses in particular on compliance with accounting policies and ensuring that an effective system of internal financial control is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports, remains with the Board.

The terms of reference of the Audit Committee covers such issues as membership and the frequency of meetings, as mentioned above, together with requirements of any quorum for and the right to attend meetings. The duties of the Audit Committee covered in the terms of reference are: financial reporting, internal controls, internal audit, external audit and reserving. The terms of reference also set out the authority of the committee to carry out its duties.

The Board seeks to present a balanced and understandable assessment of the Company's position and prospects in all interim, final and price-sensitive reports and information required to be presented by statute.

### ***External auditor***

The Board meets with the auditor during the year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services

supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor. During the year Johnsons Chartered Accountants did not provide any non-audit services. Details of the total fees paid to the auditors are set out in Note 4 to the accounts.

The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. As part of the decision to recommend the appointment of the external auditor, the Board takes into account the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor.

#### ***Remuneration committee***

There is no separate remuneration committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' and staff remuneration, share options and service contracts. On completion of its first transaction, the Board intends to put in place a separate remuneration committee comprising only independent Directors.

#### ***Nominations committee***

The Board does not intend to create a nominations committee for the time being but will re-evaluate as the Company grows.

#### ***Internal financial control***

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Company.

The Directors consider the size of the Company and the close involvement of Directors in the day-to-day operations makes the maintenance of an internal audit function unnecessary. The Directors will continue to monitor this situation.

#### ***Shareholder communications***

The Company uses its corporate website ([www.codexplc.com](http://www.codexplc.com)) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The AGM is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Accounts.

The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

## **Independent Auditor's Report to the Members of Codex Acquisitions Plc**

### **Opinion**

We have audited the financial statements of Codex Acquisitions plc (the "**Company**") for the year ended 31 December 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Company's financial statements 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 31 December 2023, and of the Company's loss for the year then ended;
- have been properly prepared in accordance with UK adopted IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Material Uncertainty relating to going concern**

We draw your attention to note 2.2 of the financial statements which indicates the directors' considerations over going concern. Should the proposed acquisition of TNE proceed to completion within the next 12 months, the Company's ability to continue as a going concern is dependent on the ability of the Company to raise sufficient financing as is required to finance forecasted future growth and working capital for TNE. There is no guarantee that the directors will be successful in raising the required financing for TNE's future growth and working capital.

As stated in note 2.2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists at the time of approval of the financial statements that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

### **An overview of the scope of our audit**

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's 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. The scope of our audit was influenced by the level of materiality we determined.

**CODEX ACQUISITIONS PLC**  
**INDEPENDENT AUDITORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Independent Auditor's Report to the Members of Codex Acquisitions Plc (continued)**

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the activities, the accounting processes and controls, and the industry in which the Company operates. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risks.

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

**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 due to fraud or error) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter description   | How the matter was addressed in our audit  |
|--|--|
| <p><b>Going concern</b></p> <p>We draw your attention to note 2.2 of the financial statements which indicates the directors' consideration over going concern.</p> | <p>The procedures performed on going concern included:</p> <ul style="list-style-type: none"> <li>• We obtained and reviewed management's assessment and the cash flow forecasts for the Company for a period of at least 12 months from the date of approval of the financial statements.</li> <li>• We evaluated the relevance and reliability of the underlying data used to make the assessment, including consideration of consistency of the data used for other forecasts by management in preparation of the financial statements and review of historical accuracy of forecasts.</li> <li>• We challenged the Directors' rationale for selection of assumptions as well as considering if alternative assumptions should be included in cashflow forecasts.</li> <li>• We discussed and assessed available financing options available to the directors in raising sufficient financing as is required by the Company to fund future growth and working capital for TNE.</li> <li>• We assessed the appropriateness of the disclosures on going concern in the financial statements.</li> </ul> |

**CODEX ACQUISITIONS PLC**  
**INDEPENDENT AUDITORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Independent Auditor's Report to the Members of Codex Acquisitions Plc (continued)**

|  |   |
|--|---|
|  | We have concluded that a material uncertainty exists in relation to going concern (see note 2.2). The directors' use of the going concern basis of accounting in the preparation of the financial statements is consistent with the requirements of UK adopted IFRS and applicable law. |
|--|---|

**Our application of materiality**

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence of 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 the 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.

|   |  |
|---|--|
| Overall materiality                       | £15,000 (2022: £23,300)  |
| Basis for determining overall materiality | <p>We determined materiality based on 3% of the net assets (2022: 4% of net assets by previous auditor).</p> <p>We have considered the primary users of the financial statements to be shareholders, management and regulators.</p> <p>We considered net assets as the most appropriate basis for determining overall materiality as we consider it to be one of the principal considerations for users of the financial statements in assessing the financial performance of the Company.</p>   |
| Performance materiality                   | <p>£7,500 (2022: £16,300)</p> <p>We set performance materiality based on 50% (2022: 70%) of overall materiality.</p> <p>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 the uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.</p> <p>In determining performance materiality, we considered several factors including our understanding of the control environment of the Company.</p> |
| Error reporting threshold                 | We agreed with the Board of Directors that we would report to them misstatements identified during our audit above £750 (2022: £1,165) of materiality, in our opinion, merited reporting on qualitative grounds. We also reported to the Board any disclosure matters that we identified when assessing the overall presentation of the financial statements.  |

**CODEX ACQUISITIONS PLC**  
**INDEPENDENT AUDITORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Independent Auditor's Report to the Members of Codex Acquisitions Plc (continued)**

**Other information**

The other information comprises the information 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken during the audit:

- the information given in the Director's Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report and Strategic Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained during the audit, we have not identified material misstatements in the Chairman's Statement incorporating review of operations, the Strategic Report and the Directors' Report

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

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 12, 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.

**CODEX ACQUISITIONS PLC**  
**INDEPENDENT AUDITORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Independent Auditor's Report to the Members of Codex Acquisitions Plc (continued)**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements 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 ISA's (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 based on these financial statements.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

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.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting irregularities that result from fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

**Identifying and assessing potential risks arising from irregularities, including fraud**

The extent to the procedures undertaken to identify and assess the risk of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory framework applicable to the Company focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Company.
- We enquired of the directors and management concerning the Company's policies and procedures relating to:
  - Identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding on the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to reduce costs and creating fictitious transactions to reduce losses or to improve financial performance.

**CODEX ACQUISITIONS PLC**  
**INDEPENDENT AUDITORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Independent Auditor's Report to the Members of Codex Acquisitions Plc (continued)**

**Audit response to risks identified**

In respect of the above:

- we corroborated the results of our enquiries through review of the minutes of the Company's board and inspection of the legal and regulatory correspondence.
- we performed audit procedures in connection with the risks identified including:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations.
  - evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
  - enquiry of management around actual and potential litigation and claims.
  - testing material transactions with related parties and key individuals and assessing their completeness.
  - obtaining confirmations from third parties to confirm existence of a sample of transactions and balances.
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit. The engagement team includes the Audit Director and staff who have extensive experience of working with companies in the same sector as the company, and this experience was relevant to the discussion about where fraud risks may arise.

We did not identify any material audit matters related to the potential risk of fraud or non-compliance with laws and regulations from the above audit procedures.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Other requirements**

We were appointed by the directors on 5 February 2024. Our total uninterrupted period of engagement is one year, covering the year ended 31 December 2023.

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.

Our opinion is consistent with the additional report to the board of directors.

**CODEX ACQUISITIONS PLC**  
**INDEPENDENT AUDITORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Independent Auditor's Report to the Members of Codex Acquisitions Plc (continued)**

**Use of our report**

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



**Edmund Cartwright FCCA FMAAT (Senior Statutory Auditor)**  
**for and on behalf of Johnsons Chartered Accountants, Statutory Auditor**  
**London, United Kingdom**

**Date:** 13th July 2024

**CODEX ACQUISITIONS PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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|   |              | <b>Year ended<br/>31 December<br/>2023</b> | <b>Year ended<br/>31 December<br/>2022</b> |
|---|--------------|--|--|
|   | <b>Notes</b> | <b>£</b>                                   | <b>£</b>                                   |
| Administrative expenses   | 4            | <b>(50,723)</b>                            | (237,122)                                  |
| <b>Operating loss</b>   |              | <b>(50,723)</b>                            | (237,122)                                  |
| <b>Loss on ordinary activities before taxation</b>  |              | <b>(50,723)</b>                            | (237,122)                                  |
| Tax on loss on ordinary activities  | 6            | -  | -  |
| <b>Loss and total comprehensive loss for the year<br/>attributable to the owners of the company</b> |              | <b>(50,723)</b>                            | (237,122)                                  |
| Loss per share- basic (pence)   | 7            | <b>0.01</b>                                | 0.03                                       |
| Loss per share- diluted (pence)   | 7            | <b>0.01</b>                                | 0.03                                       |

The above results relate entirely to continuing activities.

The accompanying notes on pages 27 to 37 form part of these financial statements.

**CODEX ACQUISITIONS PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

|                             | Notes | As at<br>31 December<br>2023<br>£ | As at<br>31 December<br>2022<br>£ |
|-----------------------------|-------|-----------------------------------|-----------------------------------|
| <b>CURRENT ASSETS</b>       |       |                                   |                                   |
| Trade and other receivables | 8     | 39,459                            | 40,610                            |
| Cash and cash equivalents   | 9     | 537,963                           | 626,961                           |
|                             |       | <b>577,422</b>                    | 667,571                           |
| <b>TOTAL ASSETS</b>         |       | <b>577,422</b>                    | 667,571                           |
| <b>CURRENT LIABILITIES</b>  |       |                                   |                                   |
| Trade and other payables    | 10    | 45,582                            | 85,008                            |
| <b>TOTAL LIABILITIES</b>    |       | <b>45,582</b>                     | 85,008                            |
| <b>NET ASSETS</b>           |       | <b>531,840</b>                    | 582,562                           |
| <b>EQUITY</b>               |       |                                   |                                   |
| Share capital               | 11    | 850,000                           | 850,000                           |
| Retained deficit            |       | (318,160)                         | (267,437)                         |
| <b>TOTAL EQUITY</b>         |       | <b>531,840</b>                    | 582,562                           |

The accompanying notes on pages 27 to 37 form part of these financial statements.

These financial statements were approved by the Board of Directors on 9 July 2024 and were signed on its behalf by:



Julio Perez

Independent Non-Executive Director

**Company number: 13672588**

**CODEX ACQUISITIONS PLC**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

|   | Notes | Year ended<br>31 December<br>2023<br>£ | Year ended<br>31 December<br>2022<br>£ |
|---|-------|--|--|
| <b>Cash flow from operating activities</b>              |       |  |  |
| Loss for the year                                       |       | (50,723)                               | (237,122)                              |
| Adjustments for:  |       |  |  |
| Decrease in trade and other receivables                 |       | 1,151                                  | -                                      |
| (Decrease)/Increase in trade and other payables         |       | (39,426)                               | 14,083                                 |
| Net cash outflow from operating activities              |       | (88,998)                               | (223,038)                              |
| <b>Cashflow from financing activities</b>               |       |  |  |
| Proceeds on the issue of shares                         |       | -                                      | 800,000                                |
| Net cash inflow from financing activities               |       | -                                      | 800,000                                |
| Net (Decrease)/Increase in cash and cash equivalents    |       | (88,998)                               | 576,961                                |
| Cash and cash equivalents at the beginning of the year  |       | 626,961                                | 50,000                                 |
| <b>Cash and cash equivalents at the end of the year</b> |       | <b>537,963</b>                         | <b>626,961</b>                         |

There were no cashflows from investing activities during the year.

The accompanying notes on pages 27 to 37 form part of these financial statements.

**CODEX ACQUISITIONS PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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The statement of changes in equity of the Company from 1 January 2023 to 31 December 2023 is stated below:

|  | Share<br>Capital<br>£ | Retained<br>Deficit<br>£ | Totals<br>£     |
|--|-----------------------|--------------------------|-----------------|
| Balance at 01 January 2022                   | 50,000                | (30,315)                 | 19,685          |
| Shares issued                                | 800,000               | -                        | 800,000         |
| Total comprehensive loss for the year        | -                     | (237,122)                | (237,122)       |
| <b>Balance at 31 December 2022</b>           | <b>850,000</b>        | <b>(267,437)</b>         | <b>582,563</b>  |
| <b>Total comprehensive loss for the year</b> | <b>-</b>              | <b>(50,723)</b>          | <b>(50,723)</b> |
| <b>Balance at 31 December 2023</b>           | <b>850,000</b>        | <b>(318,160)</b>         | <b>531,840</b>  |

Definitions:

*Share capital* – the ordinary issued share capital of the Company.

*Retained deficit* – Cumulative net gains and losses recognised in the Statement of Comprehensive Income

The accompanying notes on pages 27 to 37 form part of these financial statements.

**CODEX ACQUISITIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1 GENERAL INFORMATION**

The principal activity of Codex Acquisitions plc (the "Company") is to undertake an acquisition in the renewable energy sector, looking for potential companies and business assets that will increase shareholder value. As part of its acquisition strategy the Company announced in December 2023, that it entered into non-binding heads of terms ("HOTS") to acquire the entire issued share capital of TNE - Technologies New Energy S.A. ("TNE"), a *sociedade anónima* incorporated in Portugal operating in the renewable energy sector.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales as a public limited company. The Company's registered office is 9<sup>th</sup> Floor, 107 Cheapside, London EC2V 6DN. The Company's registered number is 13672588.

**2 ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The preparation of financial statements in compliance with UK adopted IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.11

The Financial Statements of the Company have been prepared in accordance with UK-adopted IAS.

The Financial Statements have been prepared under the historical cost convention unless otherwise stated. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently. The Financial Statements are prepared in pounds Sterling and presented to the nearest pound.

**2.2 Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company had a net cash outflow from operating activities for the period of £88,999 and at 31 December 2023 had cash and cash equivalents balance of £537,963.

As described in the Prospectus for the Company dated 4 March 2022, the Company should make an acquisition within approximately 24 months of Admission and if no Acquisition had been announced within 24 months of Admission, Shareholders can be given the opportunity to vote to extend the period in which to identify a relevant Acquisition for 12 months or to wind up the Company and return unused cash assets to Shareholders. For good order, the Company now plans to seek authority from shareholders at the Company's 2024 AGM to extend the authority for a further 12 months.

The Company announced in December 2023, that it entered into HOTS to acquire the entire issued share capital of TNE. As at 30 June 2024, the Company had £439,873 in cash. Should the proposed acquisition not proceed to completion by July 2025, the Company believes that this funding will be sufficient to meet its working capital requirements for the next 12 months on a standalone basis. In the event the proposed acquisition proceeds to completion, the Company will need to raise further sufficient financing as is required to fund forecasted growth and working capital for TNE for a period of at least 12 months from the date of approval of the financial statements.

There is no guarantee that the directors will be successful in raising the required financing for TNE's future growth and working capital. This matter indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern at the time of approval of the

## **2. ACCOUNTING POLICIES (CONTINUED)**

financial statements. The financial statements do not include adjustments should the going concern basis be inappropriate. Nonetheless, in view of the successful placing of shares in the prior period and other available funding options, the directors are confident they will be successful in raising the necessary financing within the next 12 months from the date of approval of the financial statements

For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

### **2.3 Foreign currency translation**

The financial information is presented in Sterling which is the Company's functional and presentational currency.

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

### **2.4 Cash and cash equivalents**

Cash and cash equivalents comprise cash at hand and current and deposit balances at banks.

### **2.5 Trade and other receivables**

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

### **2.6 Trade and other payables**

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost.

### **2.7 Financial instruments**

#### **Initial recognition**

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

#### **Classification**

##### **Financial assets at amortised cost**

The Company measures financial assets at amortised cost if both of the following conditions are met

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **Financial liabilities at amortised cost**

Financial liabilities measured at amortised cost using the effective interest rate method include other payables and accruals that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Other payables and accruals are non-interest bearing and are stated at amortised cost using the effective interest method.

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **Derecognition**

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

### **2.8 Impairment**

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

### **2.9 Equity**

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

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

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

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

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.10 Earnings per share**

Basic loss 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 loss 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 the total number of ordinary shares outstanding at the end of the financial year.

### **2.11 Critical accounting judgements and key sources of estimation uncertainty**

In the process of applying the entity'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 current events and actions, actual results may ultimately differ from those estimates. The Directors do not consider there to be any critical accounting estimates or made in the preparation of these financial statements.

### **2.12 Standards, amendments and interpretations to existing standards that are not yet effective**

#### **New standards, amendments to standards and interpretations:**

The Company has adopted all of the new and revised Standards and Interpretations that are relevant to their operations and effective for accounting periods beginning 1 January 2023. The Company has not adopted any standards or interpretations in advance of the required implementation dates.

The adoption of the Standards and Interpretations which became effective this year did not have a material impact on these Financial Statements.

#### **Standards not yet applied**

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the UK Endorsements Board):

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent and Amendments to IAS 1: Classification of Liabilities and Current or Non-current – Deferral effective 1 January 2024
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies – effective 1 January 2024
- Amendments to IFRS 16 Leases effective 1 January 2024

The directors are evaluating the impact that these standards will have on the financial statements of the Company but it is not anticipated that they will have a material impact on the company.

**CODEX ACQUISITIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.13 Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board as a whole.

Given the current operations of the Company there are no reportable segments.

**2.14 Financial Risk Management Objectives and Policies**

The Company does not enter into any forward exchange rate contracts.

The main financial risks arising from the Company's activities are market risk, interest rate risk, foreign exchange risk, credit risk, liquidity risk and capital risk management. Further details on the risk disclosures can be found in Notes 14 and 15.

**3. REVENUE**

There was no revenue generated in the period.

**4. ADMINISTRATIVE EXPENSES**

This is stated after charging:

|  | <b>31 December<br/>2023<br/>£</b> | <b>31 December<br/>2022<br/>£</b> |
|--|-----------------------------------|-----------------------------------|
| Auditor's remuneration                   |                                   |                                   |
| - audit of the Company                   | <b>17,000</b>                     | 20,000                            |
| - non-audit services                     |                                   |                                   |
| corporate finance services               | -                                 | 15,000                            |
| Directors' remuneration                  | <b>5,000</b>                      | -                                 |
| Legal, professional and consultancy fees | <b>26,993</b>                     | 159,000                           |
| Other expenses                           | <b>1,730</b>                      | 43,122                            |

**5. DIRECTORS AND STAFF COSTS**

During the year the only staff of the Company were the Directors and as such the Directors are the key management personnel. Management remuneration, other benefits supplied and social security costs to the Directors during the period was as follows £5,000 (2022: £Nil).

**CODEX ACQUISITIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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The average number of staff during the period, including Directors was 3.

The remuneration and associated social security costs per Director for the year ended 31 December 2023 was all short term in nature and are as stated in the remuneration report on page 11.

**6. TAXATION**

|   | <b>31 December<br/>2023</b> | 31 December<br>2022 |
|---|-----------------------------|---------------------|
|   | <b>£</b>                    | <b>£</b>            |
| The charge / credit for the year is made up as follows: |                             |                     |
| Corporation taxation on the results for the period      | -                           | -                   |
| Deferred tax  | -                           | -                   |
| <b>Taxation charge / credit for the period</b>          | <b>-</b>                    | <b>-</b>            |

A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the period is:

|  |                 |           |
|--|-----------------|-----------|
| Loss per accounts  | <b>(50,723)</b> | (237,122) |
| Tax credit at the standard rate of corporation tax in the UK of 23.25% (31 December 2022: 19%) | <b>(11,793)</b> | (45,053)  |
| Impact of unrelieved tax losses carried forward  | <b>11,793</b>   | 45,053    |
|  | <b>-</b>        | <b>-</b>  |

Estimated tax losses of £318,160 (31 December 2022: £267,437) are available for relief against future profits. No deferred tax asset has been recognised in the accounts based on the uncertainty as to when profits will be generated against which to relieve said asset.

***Factors affecting the future tax charge***

The standard rate of corporation tax in the UK is 23.25% (2022: 19%). Accordingly, the Company's effective tax rate for the period was 23.25%.

**CODEX ACQUISITIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**6. EARNINGS/(LOSS) PER SHARE**

Basic loss and diluted loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

|   | <b>31 December<br/>2023</b> | 31 December<br>2022 |
|---|-----------------------------|---------------------|
|   | <b>£</b>                    | <b>£</b>            |
| Loss from continuing operations attributable to equity holders of the company | <b>(50,723)</b>             | (273,122)           |
| Weighted average number of ordinary shares in issue                           | <b>8,500,000</b>            | 7,009,589           |
| Basic and fully diluted loss per share from continuing operations (pence)     | <b>(0.01)</b>               | (0.03)              |

The calculation of the earnings per share is based on the loss for the financial period after taxation of £50,723 and 8,500,000 ordinary shares in issue during the period.

Warrants issued by the company have an anti-dilutive effect on loss per share. Hence, under IAS requirements diluted loss per share is shown as being the same as basic loss per share.

**8. TRADE AND OTHER RECEIVABLES**

|                | <b>31 December<br/>2023</b> | 31 December<br>2022 |
|----------------|-----------------------------|---------------------|
|                | <b>£</b>                    | <b>£</b>            |
| Prepayments    | <b>5,754</b>                | 5,697               |
| VAT Receivable | <b>33,705</b>               | 34,913              |
|                | <b>39,459</b>               | 40,610              |

The Directors consider that the carrying value amount of trade and other receivables approximates to their fair value.

The comparative amount for VAT Receivable has been restated to £34,913 (2022: Nil) - as previously reported) as a result of reclassifying an asset balance reported in current liabilities in the prior year (see note 10).

**9. CASH AND CASH EQUIVALENTS**

|              | <b>31 December<br/>2023</b> | 31 December<br>2022 |
|--------------|-----------------------------|---------------------|
|              | <b>£</b>                    | <b>£</b>            |
| Cash at bank | <b>537,963</b>              | 626,961             |
|              | <b>537,963</b>              | 626,961             |

**CODEX ACQUISITIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

Cash at bank comprises balances held by the Company in current bank accounts and instant access deposit accounts. The carrying value of these approximates to their fair value.

**10. TRADE AND OTHER PAYABLES**

|                          | <b>31 December<br/>2023<br/>£</b> | 31 December<br>2022<br>£ |
|--------------------------|-----------------------------------|--------------------------|
| Accrued liabilities      | <b>12,000</b>                     | 40,000                   |
| Trade and other payables | <b>29,582</b>                     | 45,008                   |
| Vat Liability            | <b>4,000</b>                      | -                        |
|                          | <b>45,582</b>                     | 85,008                   |

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value. Refer Note 14.

The comparative amount for VAT liability has been restated to £Nil (2022: (£34,913) - as previously reported) as result of reclassifying an asset balance to current assets (see note 8) to be consistent with current year presentation.

**11. SHARE CAPITAL / SHARE PREMIUM**

|  | <b>Number of<br/>shares on<br/>issue</b> | <b>Share<br/>capital<br/>£</b> | <b>Total<br/>£</b> |
|--|--|--------------------------------|--------------------|
| Balance as at 01 January 2022            | 500,000                                  | 50,000                         | 50,000             |
| Shares issued during the year ended 2022 | 8,000,000                                | 800,000                        | 850,000            |
| Balance as at 31 December 2022           | <b>8,500,000</b>                         | <b>850,000</b>                 | <b>850,000</b>     |
| Balance as at 31 December 2023           | <b>8,500,000</b>                         | <b>850,000</b>                 | <b>850,000</b>     |

The Company has only one class of share. All ordinary shares have equal voting rights and rank *pari passu* for the distribution of dividends and repayment of capital. As at 31 December 2023, the Company's issued and outstanding capital structure comprised 8,500,000 shares of 10 pence each and there were no other securities in issue and outstanding.

**12. CAPITAL COMMITMENTS**

There were no capital commitments at 31 December 2023 (2022: £nil).

**CODEX ACQUISITIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**13. CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2023 (2022: £nil).

**14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

**Financial assets by category**

The categories of financial assets are as follows:

|                                   | <b>31 December<br/>2023<br/>£</b> | <b>31 December<br/>2022<br/>£</b> |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Current Assets at amortised cost: |                                   |                                   |
| Cash and cash equivalents         | <b>537,963</b>                    | 626,961                           |
|                                   | <b>537,963</b>                    | 626,961                           |

**CODEX ACQUISITIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**Financial liabilities by category**

The categories of financial liabilities are as follows:

|   | <b>31<br/>December<br/>2023</b> | <b>31<br/>December<br/>2022</b> |
|---|---------------------------------|---------------------------------|
|   | <b>£</b>                        | <b>£</b>                        |
| Current Liabilities at amortised cost:                          |                                 |                                 |
| Trade and other payables  | <b>29,582</b>                   | 45,008                          |
| Accrued liabilities   | <b>12,000</b>                   | 40,000                          |
| Categorised as financial liabilities measured at amortised cost | <b>41,582</b>                   | 85,008                          |

All amounts are short term and payable in 0 to 3 months.

**Credit risk**

The maximum exposure to credit risk at the reporting date by class of financial asset was:

|                           | <b>31 December<br/>2023</b> | <b>31 December<br/>2022</b> |
|---------------------------|-----------------------------|-----------------------------|
|                           | <b>£</b>                    | <b>£</b>                    |
| Cash and cash equivalents | <b>537,963</b>              | 626,961                     |

**Interest rate risk**

None of the Company's assets or liabilities are subject to any material interest rate risk since any interest earned would be at a negligible interest rate and none are subject to interest charges. All deposits are placed with main clearing banks or held in cash wallets to facilitate non-sterling payments or expense payments. The deposits are placed in current accounts or instant access deposit accounts to provide flexibility and access to the funds.

The nature of the Company's activities and the basis of funding are such that the Company seeks to maintain liquid resources to meet its expenses for at least twelve months. The cash resources are more than sufficient to meet anticipated outgoings for a year. The Company will utilise these resources to meet the cost of operations of the Company.

**Credit and liquidity risk**

Credit risk is the risk of an unexpected loss if a counter party to a financial instrument fails to meet its commercial obligations. The Company's maximum credit risk exposure is limited to the carrying amount of cash of £537,963. As the prepaid consideration is non-refundable it is not subject to credit risk. Credit risk is managed by depositing surplus funds with financial institutions with a credit rating equivalent to, or above, the main UK clearing banks. All financial liabilities are payable in the short term (between 0 to 3 months) and the Company maintains adequate bank balances to meet those liabilities.

**CODEX ACQUISITIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £ GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at period end.

**15. CAPITAL MANAGEMENT**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the balance between debt and equity.

The capital structure of the Company as at 31 December 2023 consisted of equity attributable to the equity holders of the Company, totaling £531,840.

The Company reviews the capital structure on an on-going basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure through the payment of dividends and new share issues. The Company has no plans to take on debt capital.

**16. RELATED PARTY TRANSACTIONS**

The compensation payable to Key Management personnel, who comprise the Non-executive Directors, comprised £5,000 (2022: £Nil) paid by the Company in respect of services to the Company. Full details of the compensation for each Director are provided in the Directors' Remuneration Report.

Julio Perez is the sole Director of Vanguard Equity Investments Limited, a company that received £5,000 (2022: £17,000) during the year for the provision of Directors Fees, consulting and business development services. At the year end, an amount of £5,000 (2021: £Nil) was due to Vanguard Equity Investments Ltd.

**17. EVENTS SUBSEQUENT TO YEAR END**

There are no events after the reporting period which have an impact on the annual report and financial statements.

**18. CONTROL**

In the opinion of the Directors there is no single ultimate controlling party.