REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

IN TERMS OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

FOR THE YEAR ENDED 31 DECEMBER 2022

FOR

DISRUPTIVE CAPITAL RENEWABLE ENERGY HOLDING AG

DISRUPTIVE CAPITAL RENEWABLE ENERGY HOLDING AG (REGISTERED NUMBER: CHE155771231)

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

DISRUPTIVE CAPITAL RENEWABLE ENERGY HOLDING AG

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS:	E G I F Truell Ms C de Boucaud
REGISTERED OFFICE:	Gotthardstrasse 28 6302 Zug
REGISTERED NUMBER:	CHE155771231 (Switzerland)
AUDITORS:	Grant Thornton AG Claridenstrasse 35 P.O. Box CH-8027 Zurich

The directors present their report with the consolidated financial statements of the group for the year ended 31 December 2022.

EVENTS SINCE THE END OF THE YEAR
On 13 March 2023 the Company entered into an option agreement with Disruptive Capital Acquisition Company Limited, a public company listed on the Euronext Amsterdam stock exchange, where DCACL could acquire the entire issued share capital of the Company for a consideration of CHF 375 million (approximately £330m). The details of the proposed acquisition and other important information can be found on the DCAC website:

www.disruptivecapitalac.com

The option may be exercised by DCACL on or before 14th May 2023, following an Extraordinary General Meeting of DCACL to consider the acquisition.

Following entry into the option agreement and in order to align the accounting policies of the group with DCACL in anticipation of the option being exercised the group has adopted International Financial Reporting Standards.

OPERATIONS
DCREH currently comprises three existing divisions: 100% of Advanced Cables Limited ("**Advanced Cables**"); and 100% of ASC Energy Limited ("**ASC**" or "**Atlantic SuperConnection**"), together with a management and technical services capability (“**Global InterConnection Group Services”)** that together represent a strong foundation for its strategy. The Company is to be renamed **Global InterConnection Group SA** and the annual general meeting has been convened for 14 April 2023 to consider this**.**

Advanced Cables is developing a 1,500 km/year capacity HVDC cable manufacturing and armouring facility. Having carried out a detailed site selection process across three countries, DCREH expects the UK factory to be located in Teesside, in the North East of England, (the "**Teesside Factory**") to offer both deep water port access and a highly attractive tax and permitting regime. The Teesside Factory, due to come into full operation in 2025, is expected to create over 800 jobs, support dozens of renewable energy projects globally, and make Britain a world-leader in the manufacture and export of HVDC cable. The local authorities and regional development institutions have given Advanced Cables their strong support in areas such as site acquisition, planning, labour force training, and have emphasised the benefits of the Teesside Factory being located in a freeport.

It is anticipated the Teesside Factory will be operated and part-owned in joint venture with a world leading HVDC manufacturer. Advanced Cables is looking to finalise terms shortly with its preferred partner and then move into the construction phase. Advanced Cables was led to expect on 20 February 2023 that it should be eligible for UK government support from, inter alia, regional development grants and from UK Export Finance. The UK Department of International Trade has recently demonstrated support for Advanced Cables’ plans, by engaging with the preferred manufacturing partner to help secure their involvement with government incentives.

In addition, Advanced Cables expects to create an aluminium stranding factory; and a testing and research centre in Iceland, in order to support the Teesside Factory and further enhance the substantial economic benefits offered by Global InterConnection Group to Iceland. Aluminium stranding – the core of HVDC cables - manufacturing is planned to be situated in Straumsvik (“**Straumsvik Factory**”). The site enjoys deep water access and has the infrastructure already in place to handle heavy materials, since it is adjacent to an ageing aluminium smelter that is expected to close in the next decade. The Straumsvik Factory is expected to create several hundred jobs and give Iceland significant added economic value from its production of aluminium, which is largely exported in ingot form at present.

The Advanced Cables Testing and Research Centre, to be based near Keflavik, is expected to create some 40 jobs, largely in highly skilled scientific and engineering roles. It is intended to support Advanced Cables and its customers in the continual improvement of the product and its performance, effectiveness and usage.

Once the Advanced Cables Factory is completed, this will enable Global InterConnection Group to provide expedited HVDC cable supply to Atlantic SuperConnection and such other interconnector projects as it may acquire. Moreover, the possession of scarce HDVC cable manufacturing capacity is likely to give Global InterConnection Group an advantage when originating and negotiating interconnector and consultancy business opportunities; and deploying capital to invest into interconnector projects.

Atlantic SuperConnection is developing a 1,708km bi-pole interconnector between Iceland and the United Kingdom with a capacity of up to 1.8GW. It has achieved significant progress to date, including the confirmation of technical feasibility via extensive studies, notably by RTE International, the completion of a seabed route survey to confirm the optimal route, and the signing of a connection agreement with the UK National Grid to come in force in 2028/29.

ASC offers an unique entry point into the interconnector industry. Most interconnectors are two-way and link two energy networks with fluctuating supply and demand. As such the directional flow of energy via the interconnector, and the revenue it generates therefrom, depends on the relative energy surplus or shortage of the two countries at any one time. In contrast, ASC will connect Iceland – an isolated grid with an economical and dependable energy supply from geothermal and hydroelectric generation – with the UK, a grid facing severe supply shortages and sharp price fluctuations, in need of zero carbon baseload and dispatchable power to fill the role historically played by hydrocarbons. In connecting two energy markets with highly asymmetrical supply-demand dynamics, ASC expects energy transmission to be predominantly one way from Iceland to the UK, and so generate more predictable revenues underpinned by long-term power purchase agreements, typically with prices linked to UK inflation rates.

However, ASC intends to use the periods of surplus wind generation in the UK to send electricity to Iceland to power pumped storage into existing hydroelectric facilities, in effect creating a highly efficient battery, with the power to be returned to the UK in times of shortage and high marginal prices.

Furthermore, the development and construction of this project supported by Global InterConnection Group's Advanced Cables and ancillary services divisions, and the harnessing capital by Global InterConnection Group, of which the proposed Business Combination is intended to improve access, is expected to serve as a significant demonstration to the interconnector market of Global InterConnection Group's integrated capabilities.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

E G I F Truell
Ms C de Boucaud

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

ON BEHALF OF THE BOARD:

....
Ms C de Boucaud - Director

Date: April 5, 2023

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Independent Auditor’s Report on the Consolidated Financial Statements

To the Board of Directors of
Disruptive Capital Renewable Energy Holding AG, Zug

Opinion
We have audited the consolidated financial statements of Disruptive Capital Renewable Energy Holding AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cashflows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and of its consolidated financial performance and its consolidated cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion
We conducted our audit in accordance with the Swiss Standards on Auditing (SA-CH) and the International Standards on Auditing (ISA). Our responsibilities under those provisions and standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the provisions of the Swiss audit profession and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter
We draw attention to note 20 in the consolidated financial statements describing the unfavourable performance and funding constraints that Disruptive Capital Renewable Energy Holding AG and its direct and indirect subsidiaries (the Group) faced during the financial year ended December 31, 2022. This fact together with other matters disclosed in note 20 indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the report of the directors but does not include the consolidated financial statements, financial statements, and our auditor’s report thereon.

Grant Thornton

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

Board of Directors' Responsibilities for the Consolidated Financial Statements
The Board of Directors' is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), and for such internal control as the Board of Directors' determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors' is responsible for assessing the Group'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 Board of Directors' either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

As part of an audit in accordance with SA-CH and ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

Zurich, April 5, 2023
Grant Thornton AG

Hermann Caspers	Nina Beutler
Partner	Senior Manager

Enclosure:
- Consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated cashflow statement and notes)

DISRUPTIVE CAPITAL RENEWABLE ENERGY HOLDING AG (REGISTERED NUMBER: CHE155771231)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	31/12/22 £	31/12/21 £
CONTINUING OPERATIONS			
Revenue		**-**	-
Administrative expenses		**(6,771,922)**	(1,236,265)
OPERATING LOSS		**(6,771,922)**	(1,236,265)
Finance costs	4	**(366,387)**	(624,222)
Finance income	4	**-**	39,325
LOSS BEFORE INCOME TAX	5	**(7,138,309)**	(1,821,162)
Income tax	6	**-**	-
LOSS FOR THE YEAR		**(7,138,309)**	(1,821,162)
Loss attributable to:			
Owners of the parent		**(7,138,309)**	(1,230,927)
Non-controlling interests		**-**	(590,235)
		(7,138,309)	(1,821,162)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	31/12/22 £	31/12/21 £
LOSS FOR THE YEAR	**(7,138,309)**	(1,821,162)
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Forex translation reserve	**44,779**	339,739
Income tax relating to items that may be reclassified	**-**	-
subsequently to profit or loss	**-**	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	**44,779**	339,739
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(7,093,530)**	(1,481,423)
Total comprehensive income attributable to:		
Owners of the parent	**(7,093,530)**	(891,188)
Non-controlling interests	**-**	(590,235)
	(7,093,530)	(1,481,423)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022

	Notes	31/12/22 £	31/12/21 £	1/1/21 £
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	7	**919,065**	951,889	984,713
Property, plant and equipment	8	**996**	1,424	1,711
Investments	9	**-**	-	1
		920,061	953,313	986,425
CURRENT ASSETS				
Trade and other receivables	10	**65,762**	73,565	95,945
Cash and cash equivalents	11	**24,852**	4,938	157,515
		90,614	78,503	253,460
TOTAL ASSETS		**1,010,675**	1,031,816	1,239,885
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	13	**1,019,117**	1,019,117	83,222
Forex Translation Reserve	14	**579,450**	534,671	194,932
Other reserves	14	**560,120**	560,120	-
Share based payment reserve	14	**1,890,331**	-	-
Accumulated losses	14	**(15,531,194)**	(8,392,885)	(7,161,958)
		(11,482,176)	(6,278,977)	(6,883,804)
Non-controlling interests	12	**-**	-	1,872,572
TOTAL EQUITY		**(11,482,176)**	(6,278,977)	(5,011,233)
LIABILITIES				
NON-CURRENT LIABILITIES				
Loans	15	**5,957,494**	5,859,713	800,000
CURRENT LIABILITIES				
Trade and other payables	15	**1,287,184**	427,184	504,118
Loans	15	**1,781,049**	1,023,897	4,947,000
Provisions	16	**3,467,123**	-	-
		6,535,356	1,451,081	5,451,118
TOTAL LIABILITIES		**12,492,850**	7,310,794	6,251,118
TOTAL EQUITY AND LIABILITIES		**1,010,675**	1,031,816	1,239,885

The consolidated financial statements were approved by the Board of Directors and authorised for issue on April 5, 2023, and were signed on its behalf by:

Ms C de Boucaud Director

DISRUPTIVE CAPITAL RENEWABLE ENERGY HOLDING AG (REGISTERED NUMBER: CHE155771231)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Retained earnings £	Forex Translation Reserve £	Other reserves £
Balance at 1 January 2021	83,222	(7,161,958)	194,932	-
Changes in equity				
Issue of share capital	-	-	-	-
Transactions with owners	935,895	-	-	560,120
Total comprehensive loss	-	(1,230,927)	339,739	-
Acquisition of non-controlling interest	-	-	-	-
Balance at 31 December 2021	1,019,117	(8,392,885)	534,671	560,120
Changes in equity				
Total comprehensive loss	-	(7,138,309)	44,779	-
Equity settled share-based payment	-	-	-	-
Balance at 31 December 2022	1,019,117	(15,531,194)	579,450	560,120

	Share based payment reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2021	-	(6,883,804)	1,872,572	(5,011,233)
Changes in equity				
Issue of share capital	-	-	-	-
Transactions with owners	-	1,496,015	-	1,496,015
Total comprehensive loss	-	(891,188)	(590,235)	(1,481,423)
Acquisition of non-controlling interest	-	-	(1,282,337)	(1,282,337)
Balance at 31 December 2021	-	(6,278,977)	-	(6,278,977)
Changes in equity				
Total comprehensive loss	-	(7,093,530)	-	(7,093,530)
Equity settled share-based payment	1,890,331	1,890,331	-	1,890,331
Balance at 31 December 2022	1,890,331	(11,482,176)	-	(11,482,176)

DISRUPTIVE CAPITAL RENEWABLE ENERGY HOLDING AG (REGISTERED NUMBER: CHE155771231)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	31/12/22 £	31/12/21 £
Cash flows from operating activities			
Cash generated from operations	1	**(737,238)**	(1,176,474)
Interest paid		**-**	-
Finance costs paid		**-**	-
Tax (paid) / received		**-**	-
Net cash from operating activities		**(737,238)**	(1,176,474)
Cash flows from investing activities			
Purchase of property, plant, equipment		-	
Net cash from investing activities		**-**	-
Cash flows from financing activities			
Cash inflow loans short-term		**757,152**	1,023,897
Cash inflow loans long-term		-	-
Net cash from financing activities		**757,152**	1,023,897
Increase/(decrease) in cash and cash equivalents		**19,914**	(152,577)
Cash and cash equivalents at beginning of year	2	**4,938**	157,515
Cash and cash equivalents at end of year	2	**24,852**	4,938

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	31/12/22	31/12/21
	£	£
Loss before income tax	**(7,138,309)**	(1,821,162)
Depreciation charges	**33,252**	33,603
Foreign exchange movements	**44,779**	339,739
Finance costs	**366,387**	624,222
Finance income	**-**	(39,325)
Guarantee provision	**3,467,123**	-
Share based payments	**1,890,331**	-
	(1,336,437)	(862,923)
Decrease in trade and other receivables	**7,803**	22,380
Increase/Decrease in trade and other payables	**591,396**	(335,931)
Cash generated from operations	**(737,238)**	(1,176,474)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2022

	31/12/22	1/1/22
	£	£
Cash and cash equivalents	**24,852**	**4,938**

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	4,938	157,515

1. STATUTORY INFORMATION

Disruptive Capital Renewable Energy Holding AG is a private company, limited by shares, registered in Switzerland. The company's registered number and registered office address can be found on the General Information page.

The company acts as a holding company for the Atlantic SuperConnection group of companies, consolidated herein as the Group. The Group has been established for the purpose of developing, manufacturing, installing and operating a subsea HVDC cable to import geothermally generated electricity from Iceland into the UK.

2. ACCOUNTING POLICIES

Basis of preparation
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards in accordance with IAS 1 Presentation of financial statements. The consolidated financial statements have been prepared on an accruals basis and under the historical cost convention.

The consolidated financial statements, for the year ended 31 December 2022, are the first the group has prepared in accordance with IFRS. The group's approach to first time adoption of IFRS is described below.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

• Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
• Exposure, or rights, to variable returns from its involvement with the investee
• The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
• The contractual arrangement(s) with the other vote holders of the investee
• Rights arising from other contractual arrangements
• The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. **ACCOUNTING POLICIES - continued**

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Functional and Operational currency
The group comprises companies based in Switzerland and the United Kingdom. Companies operating in Switzerland, being Disruptive Capital Renewable Energy Holding AG and Disruptive Capital Renewable Energy AG, adopt the Swiss Franc as their functional currency as they operate within Switzerland and incur the majority of their expenditure in Swiss Franc. The UK based companies, ASC Energy Limited and Advanced Cables Limited, adopt Pounds Sterling as their functional currency as they operate wholly within the UK and incur the majority of their expenditure in Pounds Sterling.

The Presentational Currency of the Group has been selected as Pounds Sterling reflecting where the group expects to raise capital and incur the majority of operating expenditure in the further development of the cable factory and subsea cable.

Cash and cash equivalents
Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts, if relevant. Any such overdrafts are shown within borrowings under ‘current liabilities’ on the Statement of Financial Position. As at 31 December 2022 and 31 December 2021 no accounts were overdrawn at any group company.

Intangible assets
The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite line are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2. ACCOUNTING POLICIES - continued

Intangible assets - continued

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

The anticipated useful economic life of the cable once operational is more than 25 years and will require up to five years to manufacture and install therefore the intangible assets acquired in the development of the project, being such matters as technical feasibility studies, seabed surveys etc. have been amortised on a Straight-line basis over 30 years as managements current best estimate of the useful economic life.

Property, plant and equipment

IT equipment and other equipment (comprising plant and machinery) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. IT equipment and other equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, IT equipment and other equipment. The following useful lives are applied:

- IT equipment: 4 years
- other equipment:4 years.

Impairment

The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists the Group makes an estimate of the assets recoverable amount and recognises a provision against the carrying value of the intangible.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:
- amortised cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets categorised as FVOCI.
The classification is determined by both:
- the group's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

2. **ACCOUNTING POLICIES - continued**

Financial instruments - continued

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses

Subsequent measurement of financial assets
Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
-they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The group does not hold any assets as Fair Value through profit or loss nor held as Fair Value through other comprehensive income.

Impairment of financial assets
IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses
- the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. The Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group evaluates each class of debtors and establishes a provision based on its historical credit loss experience and matters specific to individual debtors and the broader economic environment.

Classification and measurement of financial liabilities
The Group's financial liabilities include loans, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

2. ACCOUNTING POLICIES - continued

Derivative financial instruments and hedge accounting
Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:
- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship, and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

The Group does not have any derivate instruments designated as hedging instruments as at the reporting date nor held any during the reporting period.

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

The calculation of current and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. The carrying amounts of deferred tax are reviewed at the end of each reporting period on the basis of its most likely amount and adjusted if needed. Assessing the most likely amount of current and deferred tax in case of uncertainties (e.g. as a result of the need to interpreting the requirements of the applicable tax law), requires the group to apply judgments in considering whether it is probable that the taxation authority will accept the tax treatment retained.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions.

As a result of these exemptions the Group does not recognise deferred tax on temporary differences relating toits investments in subsidiaries (only to the extent that the group control the timing of the reversal of the taxable temporary difference and that reversal is not likely to occur in the foreseeable future). The Group does not offset deferred tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

Deferred Tax Assets have not been provided for because of the uncertainty regarding timing of future profits and the ability of group entities to claim any relief in respect of historical losses.

2. ACCOUNTING POLICIES - continued

Foreign currency transactions and balances
The Group's consolidated financial statements are presented in Sterling, which is also the parent company's presentational currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Employee benefit costs
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that:
- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below)
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

First-time adoption of IFRS
These financial statements, for the year ended 31 December 2022, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2021, the Group had not prepared consolidated financial statements. Single entity financial statements were prepared in accordance with local generally accepted accounting principles (Local GAAP).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2022, together with the comparative period data for the year ended 31 December 2021 as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2021, the Group's date of transition to IFRS.

2. ACCOUNTING POLICIES - continued

Provisions, contingent assets and contingent liabilities
Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Significant management judgement in applying accounting policies and estimation uncertainty
When preparing the Group’s consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses.

Significant management judgements
The following are the judgements made by management in applying the accounting policies of the Group that have the most significant effect on these consolidated financial statements. Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives and residual values of depreciable assets.
Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and environmental regulations that may require assets to be depreciated more quickly.

Business combinations
Management uses various valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. In particular, the fair value of contingent consideration is dependent on the outcome of many variables including the acquirees’ future profitability.

Fair value measurement
Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date. As at the reporting date the Group had obligations under option arrangements for the delivery of shares in subsidiary undertakings. The fair value of these obligations has been estimated using the Black Scholes model which requires certain estimates regarding the share price history of the subsidiary and interest rate expectations which have been developed by management in consideration of publicly available information on comparable companies. Changes to these assumptions would result in a change to the fair value estimate and the difference could be significant

3. EMPLOYEES AND DIRECTORS

	31/12/22	31/12/21
	£	£
Wages and salaries	1,085,166	336,219
Social security costs	43,764	40,985
Other pension costs	14,483	10,798
	1,143,413	388,002

The average number of employees during the year was as follows:

	31/12/22	31/12/21
Advanced Cables Limited	4	4
ASC Energy Limited	1	-
	5	4

	31/12/22	31/12/21
	£	£
Directors' remuneration	270,000	272,000

4. NET FINANCE COSTS

	31/12/22	31/12/21
	£	£
Finance income:		
Interest receivable	-	39,325
Finance costs:		
Interest payable	100,232	458,319
Exchange losses/profit	266,155	165,903
	366,387	624,222
Net finance costs	366,387	584,897

5. LOSS BEFORE TAX

The loss before tax is stated after charging:

	31/12/22	31/12/21
	£	£
Depreciation - owned assets	428	287
Intangible assets amortisation	32,824	32,824

6. TAXATION

Analysis of tax expense/(income)

	31/12/22	31/12/21
	£	£
Current tax:		
Taxation	-	-
Total tax expense/(income) in consolidated statement of profit or loss	-	-

Reconciliation of total tax (credit)/charge included in profit and loss

	31/12/22	31/12/21
	£	£
Loss before tax	7,138,309	1,821,162
Loss multiplied by the standard rate of corporation tax of 19% (2021 - 19%)	1,356,279	346,021
Effects of:		
Deferred tax movement *	(1,356,279)	(346,021)
Total tax (credit)/charge	-	-

* a deferred tax asset has not been recognised due to the uncertainty surrounding the timing of future profits and the ability of the group to utilise roll forward losses against future profits.

7. INTANGIBLE ASSETS

Group

	Intangible assets
	£
COST	
Opening balance 1 January 2022 and 31 December 2022	984,713
AMORTISATION	
At 1 January 2022	32,824
Amortisation for year	32,824
At 31 December 2022	65,648
NET BOOK VALUE	
At 31 December 2022	919,065
At 31 December 2021	951,889

7. INTANGIBLE ASSETS - continued

Group

	Intangible assets £
COST	
Opening balance 1 January 2021	984,713
At 31 December 2021	984,713
AMORTISATION	
Amortisation for year	32,824
At 31 December 2021	32,824
NET BOOK VALUE	
At 31 December 2021	951,889

8. PROPERTY, PLANT AND EQUIPMENT

Group

	IT equipment £
COST	
At 1 January 2022 and 31 December 2022	**1,711**
DEPRECIATION	
At 1 January 2022	**287**
Charge for year	**428**
At 31 December 2022	**715**
NET BOOK VALUE	
At 31 December 2022	**996**
At 31 December 2021	1,424

8. PROPERTY, PLANT AND EQUIPMENT - continued

Group

	IT Equipment
	£
COST	
Opening balance 1 January 2021	1,711
At 31 December 2021	1,711
DEPRECIATION	
Charge for year	287
At 31 December 2021	287
NET BOOK VALUE	
At 31 December 2021	1,424

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of IT equipment. The following useful lives are applied:

IT equipment 4 years

9. INVESTMENTS

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries (holdings as at 31 December 2022 and 31 December 2021)

Disruptive Capital Renewable Energy AG
Registered office: Switzerland
Nature of business: Holding company

Class of shares:	% holding
Ordinary	100.00

Advanced Cables Ltd
Registered office: United Kingdom
Nature of business: Company

Class of shares:	% holding
Ordinary	100.00

ASC Energy Ltd
Registered office: United Kingdom
Nature of business: Company

Class of shares:	% holding
Ordinary	100.00

9. INVESTMENTS - continued

Company

Atlantic Superconnection LLP
Registered office:
Nature of business: Limited Liability Partnership

	%
Class of shares:	designated member
Membership Capital	54.00

Atlantic SuperConnection LLP is not consolidated in the 2022 Balance Sheet as the LLP entered into a Members Voluntary Liquidation on 16th April 2021. The LLP is under the control of the liquidators and no longer under the control of the group.

The liquidation resulted in certain assets and liabilities were transferred to the group and the non-controlling interests being acquired by the group.

There are no further obligations in respect of Atlantic SuperConnection LLP. The effect on the Group Balance Sheet was as follows:

Non-controlling Interest	**2022**	2021	2020
	£	£	£
Losses generated (attributed to Non-Controlling Interest)	**-**	590,235	1,602,654
Minority Interest brought forward	**-**	(1,872,572)	(3,475,226)
Minority Interest eliminated	-	1,282,337	-
Minority Interest Carried forward	-	-	(1,872,572)

10. TRADE AND OTHER RECEIVABLES

		Group	
	31/12/22	31/12/21	31/12/20
	£	£	£
Current:			
Other debtors	**6,469**	29,913	-
Due from Atlantic SuperConnection LLP	**4,021**	4,021	-
VAT	**15,899**	28,904	23,474
Prepayments and accrued income	**39,373**	10,727	72,471
	65,762	73,565	95,945
Non-current:			
Amounts owed by group undertakings	-	-	-
Aggregate amounts	**65,762**	73,565	95,945

11. CASH AND CASH EQUIVALENTS

	Group		
	31/12/22	31/12/21	31/12/20
	£	£	£
Bank accounts	**24,852**	4,938	157,515

12. NON-CONTROLLING INTERESTS

Non-Controlling Interests represent members of Atlantic SuperConnection LLP. Under the partnership agreement, during the year to 31st December 2020 and period to 15th April 2021, all losses were attributable to non-controlling interests.

13. CALLED UP SHARE CAPITAL

Share Capital Represents 1,256,775 CHF Issued Shares converted into Sterling

	Company	
	£	£
Share Capital	1,019,117	1,019,117
	1,019,117	1,019,117

14. RESERVES

Group

	Retained earnings Totals	**Forex Translation Reserve**	**Other reserves**	**Share based payment reserve**	
	£	**£**	**£**	**£**	**£**
At 1 January 2022	**(8,392,885)**	**534,671**	**560,120**	**-**	**(7,298,094)**
Deficit for the year	**(7,138,309)**				**(7,138,309)**
Forex translation movement	**-**	**44,779**	**-**	-	**44,779**
Other reserves				**1,890,331**	**1,890,331**
At 31 December 2022	**(15,531,194)**	**579,450**	**560,120**	**1,890,331**	**(12,501,293)**

	Retained earnings	Forex Translation Reserve	Other reserves	Totals
	£	£	£	£
At 1 January 2021	(7,161,958)	194,932	-	(6,967,026)
Deficit for the year	(1,230,927)			(1,230,927)
Capital contribution	-	-	560,120	560,120
Forex translation movement	-	339,739	-	339,739
At 31 December 2021	(8,392,885)	534,671	560,120	(7,298,094)

15. **TRADE AND OTHER PAYABLES**

		Group	
	31/12/22	31/12/21	31/12/20
	£	£	£
Trade and other payables:			
Trade creditors	**316,116**	369,879	409,458
Social security and other taxes	**33,953**	15,671	32,430
Other creditors	**18,725**	15,825	1,942
Accruals and deferred income	**918,390**	25,809	56,988
Accrued expenses	-	-	3,300
	1,287,184	427,184	504,118
Loans:			
Loan LTA (PSF)	**1,091,518**	473,897	4,947,000
Loan RTSH	**25,000**	25,000	-
Loan Whitehorne	**25,000**	25,000	-
Loan Issus LP	**500,000**	500,000	-
Loan Arolla Operations SA	**88,417**	-	-
Loan PSF Capital Reserve LP	**10,000**	-	-
Loans - Cooper	**41,114**	-	-
	1,781,049	1,023,897	4,947,000
Current liabilities	**3,068,233**	1,451,081	5,451,118
Non-current:			
Loan PSF Capital Reserve LP – subordinated *	**5,957,494**		-
Loan Long Term Assets Ltd – subordinated	-	5,859,713	800,000
	5,957,494	5,859,713	800,000
Aggregate amounts	**9,025,728**	7,310,793	6,251,118

* PSF Capital Reserve LP has subordinated its loan to all other existing and future claims against the Disruptive Capital Renewable Energy Holding AG. In the event of adjudication of bankruptcy and in the event of a confirmation of a composition agreement with assignment assets, PSF Capital Reserve LP waives the subordinated claims to the extent necessary for the claims of all other creditors of the Company and potential costs of the liquidation, debt moratorium or bankruptcy proceedings being covered in full by the proceeds of the liquidation/realization of the assets of the Company.

16. PROVISIONS

	Group		
	31/12/22	31/12/21	31/12/20
	£	£	£
Provision for guarantee fee	**3,467,123**	**-**	-
Analysed as follows:			
Current	**3,467,123**	**-**	**-**

	2022	2021	2020
	£	£	£
Provision Brought forward	-	-	-
Provision for Guarantees *	3,467,123	-	-
Provision carried forward	3,467,123	-	-

* in 2018, a guarantee was provided to Disruptive Capital Renewable Energy AG in connection with a proposed acquisition of shares in HS Orka. For the provision of this guarantee the guarantors requested a fee of 5% of the sum guaranteed, with payment due upon the Group reaching FID. As at 31 December 2022 the probability of the Group reaching FID was deemed to be more likely than not and so a provision for the associated fee has been recognised in the financial statements.

17. RELATED PARTY DISCLOSURES

Related parties include the Company's shareholder, key management personnel, associates and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the Company's shareholder or key management personnel.

Edmund Truell ("ET")	Director of the Company
	A remuneration of £144,000 has been recorded in 2022 and is included in the accruals
Cedriane de Boucaud Truell	Director of the Company
Long Term Assets Limited	Shareholder of the Company (about 2.7%) and controlled by Truell Intergenerational Family LP Incorporated which is the controlling shareholder of the Company.
	Loans have been provided to DCREH from 2020: - As at 31.12.2020: £5,747,000 - New loans 2021: £475,000 - New loans 2022: £606,000 Except the loans as at 31.12.2020 novated to PSF Capital Reserve L.P. in 2022 the other loans are still outstanding at balance date. Here're the main terms of loans: - Unsecured - Duration: 12 months - Interests: 1% payable with the principal

17. **RELATED PARTY DISCLOSURES - continued**

Issus LP	Shareholder of the Company (about 21.1%) controlled by its General Partner, Disruptive Capital GP Limited.
	Loan of £500,000 has been provided to DCREH in 2022 with the following terms: - Unsecured - Duration: repayable on demand with 6 weeks' notice period - Interests: interest free
PSF Capital Reserve L.P.	Shareholder of the Company (about 13.8%) and indirect shareholder via Long Term Assets Limited.
	Loan of £5,747,000 has been novated from Long Term Assets Limited (see above) with the following terms: - Unsecured - Duration: unlimited, the loan being subordinated to all other existing and future claims against DCREH (see note 15 above) - Interests: 1.75% payable with the principal
Disruptive Capital GP Limited.	Investment Manager to Long Term Assets Limited which is a shareholder of the Company. General Partner to Issus L.P. a shareholder of the Company.
Pension SuperFund Capital GP II Limited	General Partner of PSF Capital Reserve L.P. which is a shareholder of the Company and under common control via Fiordland GP Limited.
Fiordland GP Limited	General Partner to Truell Intergenerational Family Limited Partnership Inc. which is a controlling shareholder of the Company and to de Boucaud Truell Intergenerational Family Limited Partnership Inc. Ultimate controlling party of Pension SuperFund Capital GP II Limited (the General Partner of PSF Capital Reserve L.P. who is a shareholder of the Company at period end).
Truell Intergenerational Family LP Incorporated	Controlling shareholder of the Company.
Disruptive Capital Investments Cell	Company partially owned by the same shareholders than the Group's shareholders. Related parties don't have full control of the cell..
	Company who gave a guarantee to DCRE in 2018 for an amount of £3.47M.
Matthew Truell	Director of ASC Energy Limited and Advanced Cables Limited, shareholder of DCREH
Ian Drew	Director of ASC Energy Limited and Advanced Cables Limited, shareholder of DCREH
Jenni Younger	Director of ASC Energy Limited, shareholder of DCREH

The loan granted by Arolla Operations SA, company under common control, bears interest at a rate of 1%. All the others loans have been granted by minority shareholder and are interest free.

17. RELATED PARTY DISCLOSURES - continued

Interests on loans from LTA and PSF Capital Reserve LP
No interests have been paid to the related parties above, the amounts below have been recorded in the accruals:

For the year 2021: £93,684
For the year 2022: £108,952

Guarantee fee payable to shareholders of Disruptive Capital Investments Cell
In 2018 Disruptive Capital Renewable Energy AG requested a guarantee from the Disruptive Cell (and subsequently its shareholders) in connection with the underwriting of a proposed acquisition of shares in HS Orka for the sum of approximately £60m. The guarantee fee is agreed in amount as 5% of the amount guaranteed but payment was contingent on achieving FID (total being CHF3,921,317 / GBP3,467,123). FID would now appear to be "more likely than not" and hence we've recorded in the accounts 2022 a provision of £3,467,123 (note 16)

Key Management

Matthew Truell, Ian Drew and Jennie Younger are employed by Advanced Cables Limited and total remuneration payable is disclosed in note 3.

18. EVENTS AFTER THE REPORTING PERIOD

On 13 March 2023 the Company entered into an option agreement with Disruptive Capital Acquisition Company Limited where DCACL could acquire the entire issued share capital of the Company for a consideration of approximately £330m. The option may be exercised by DCACL following an Extraordinary General Meeting of DCACL to consider the acquisition.

19. SHARE-BASED PAYMENT TRANSACTIONS

The Group has granted certain options over shares in its subsidiary entities in exchange for the provision of financing to the subsidiary companies and in obtaining the Owners Engineering Contract (OEC). The contracts are separately negotiated and do not form part of any longer term incentivisation plan.

The OEC option vests 50% on grant and 50% on obtaining FID. The option may be exercised prior to 30 June 2024 unless extended by mutual agreement and no further consideration is payable by the holder on exercise. 50% of the cost of granting the option has been recognised at fair value and expensed during the period. A pro-rata portion of the remaining 50% has been expensed at fair value during the period based upon an expectation of the group reaching FID within 12 months of the grant date.

The financing options vest immediately and may be exercised on or before 30 September 2024. The consideration payable under the option is based upon an equity valuation of the subsidiary company of £151m. The cost of granting the options has been recognised at fair value on grant and expensed in full during the period.

During the year the group recognised Share based payments in respect of Options granted over shares in its subsidiary undertaking ASC Energy Limited.

	2022	2021
	£	£
Equity	**1,890,331**	-
Total	**1,890,331**	-

20. MATERIAL UNCERTAINTY REGARDING THE GROUP'S GOING CONCERN

At the balance sheet date, the Group had negative net assets, and remains unprofitable. Group financing and funding via the issue of new capital and/or debt instruments is of key importance for the Group which also lead to a material uncertainty regarding going concern assumption. The Group continues to be funded by its shareholders and by Long Term Assets Limited. Subsequent to the balance sheet date, an offer of £330 million has been received from a publicly listed entity, Disruptive Capital Acquisition Company Limited ("DCACL") for the entire issued share capital of the Company. The offer is a share for share exchange and DCACL has some £6.4m of cash on its balance sheet, plus an intention to raise further development capital on the public market. As part of the offer, DCACL has entered into a binding option agreement under which it has already advanced funds of CHF 925,000 to the Company. Several major infrastructure investors, including operating partners, have expressed interest in participating in the capital structure as the build phase commences, and the directors are confident of raising the required capital in due course. Considering the fixed costs and support received from Long Term Assets Limited and DCACL in the post balance sheet period the directors are of the opinion, that the company and group can continue as going concern for at least the next 18 month period.

21. FINANCIAL INSTRUMENTS RISK

Overview

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations.

The group is exposed to market risk, credit risk and liquidity risk. The Group's board monitor the groups exposure to these risks and will formulate appropriate strategies to manage and mitigate these risks within an acceptable risk profile.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivable balances. The Group seeks to mitigate this risk by scrutinizing and monitoring the credit quality of its counterparties where practicable.

Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. This applies to the fair value measurement of options granted and in future may specifically apply to the Group in respect of contracts and projects denominated in other currencies, and in respect of any floating-rate debt instruments as may be issued by the Group. The objective of market risk management is to manage and control market risk exposures within acceptable parameters. The Group may in future use derivatives to manage market risks.

21. FINANCIAL INSTRUMENTS RISK - continued

Foreign currency sensitivity

Most of the Group's transactions are carried out in Pound Sterling GBP. Exposures to currency exchange rates arise from the Group's related balances, some of which are denominated in Swiss Francs (CHF). As at 31 December 2022 and 31 December 2021 the Group balances were primarily designated in GBP and the effect of foreign currency movements was immaterial.

All the funding is in DCREH which is a swiss-based company, the total of debts as at 31 December 2022 being of £7,378,000. Changes in FX rate of +/- 10% will impact the company for £737,800 which is significant in comparison with the share capital issued of CHF 1,256,775.30.

The main agreement in place in other currency than Pound Sterling GBP is the contract with RTEi for a total of around EUR 2,000,000 in 2023. Changes in FX rate will impact directly the funding required in GBP, this is however immaterial considering the total of funding to be raised in GBP.

Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore at fixed rates. As borrowings are at fixed rates changes in market interest rates would not affect the group and no further sensitivity analysis is presented.

Other borrowings are at fixed interest rates. The exposure to interest rates for the Group's cash balances is considered immaterial and as such, any sensitivity to interest rate movements is equally immaterial and no further sensitivity analysis is presented

22. LIQUIDITY RISK ANALYSIS

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, and within the covenants as agreed with the finance providers. The Group aims to maintain the minimal level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Year ended 31 December 2022	**On demand**	**Less than 3 months**	**3 – 12 months**	**1 – 5 years**	**> 5 years**	**Total**
Interest bearing loans and borrowings		798,017	999,963		6,469,108	**8,267,088**
Trade and other payables	316,116	52,678				**368,794**
Accruals and deferred income			918,390			**918,390**
	316,116	**850,695**	**1,918,354**		**6,469,108**	**9,554,273**

Year ended 31 December 2021	**On demand**	**Less than 3 months**	**3 – 12 months**	**1 – 5 years**	**> 5 years**	**Total**
Interest bearing loans and borrowings	-	-	1,039,547		6,469,108	**7,508,655**
Trade and other payables	369,879	31,496	-	-	-	**401,375**
Accruals and deferred income	-	-	25,809	-	-	**25,808**
	369,879	**31,496**	**1,065,355**		**6,469,108**	**7,935,838**

23. FAIR VALUE MEASUREMENT

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2022 or 2021.

The Group performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations if required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

As at 31 December 2022 the Group had financial liabilities designated at fair value through profit or loss and classified as Level 3 being liabilities under option contracts granted, of £1,890,331 (31 December 2021: Nil). No assets held were designated at FVTPL.

24. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern, and
- to provide an adequate return to shareholders by pricing products and services in a way that reflects the level of risk involved in providing those goods and services.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented in the consolidated statement of financial position.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

	31/12/22	31/12/21
Share Capital	1,019,117	1,019,117
Debt	7,738,543	6,883,610
Total Capital and Debt	**8,757,660**	**7,902,727**
Gearing ratio	88%	87%

25. IFRS FIRST TIME ADOPTION RECONCILIATION OF EQUITY

First Time adoption of IFRS led to material adjustment in accounting treatment in respect of the recognition of Intangible Assets that had previously been expensed under local GAAP.

	Local GAAP	Adjustment	IFRS
ASSETS	£	£	£
Intangible fixed Asset	-	984,713	984,713
Other non-Current Assets	1,712	-	1,712
	1,712	984,713	986,425
Current Assets	253,460	-	253,460
	255,172	984,713	1,239,885
EQUITY			
Called up share capital	83,222		83,222
Forex Translation reserve	194,932		194,932
Accumulated losses	(7,161,958)		(7,161,958)
	(6,883,804)		(6,883,804)
Non-Controlling interests	887,859	984,713	1,872,572
TOTAL EQUITY	(5,995,946)	984,713	(5,011,233)
TOTAL LIABILITIES			
Current and Non-Current Liabilities	6,251,118	-	6,251,118
TOTAL EQUITY AND LIABILITIES	255,172	-	1,239,885