



Final Results, Director Loans & Notice of AGM

Released : 28.07.2025

RNS Number : 8582S
Hydrogen Future Industries PLC
28 July 2025

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Hydrogen Future Industries plc

("HFI" or the "Company")

Final Results for the 12 months ended 31 July 2024

Notice of AGM

Director Loans

[Hydrogen Future Industries plc](#) (AQSE: HFI), a developer of a proprietary wind-based green hydrogen production system featuring an advanced aerodynamic wind turbine and a high-performance electrolyser, announces its audited financial results for the 12 months ended 31 July 2024 (the "Period") and Director loans extended to the Company during the Period.

The independent audit report draws attention to the intangible assets of the group are carried at approximately GBP641,000 on the consolidated statement of financial position as at 31 July 2024. The auditor has not yet obtained sufficient and appropriate audit evidence to satisfy itself as to the valuation of intangible assets of GBP641,000 as at 31 July 2024. Consequently, the auditor was unable to determine whether any adjustments to these amounts were necessary.

The independent audit report also draws attention to note 2.2 in the consolidated financial statements which mentions that the group incurred a loss for the year and cash outflow approximately GBP1,047,000 and GBP865,000 for the year ended 31 July 2024, respectively. These conditions indicate a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern. The auditor's opinion is not modified in respect of this matter. The Independent Auditor's Report is set out in full below.

The Company continues to carefully manage its working capital position.

Director Loans

During the financial year ended 31 July 2024, Neil Ritson, Executive Chairman of the Company and Daniel Maling, Non-executive Director of the Company, provided loans of, in aggregate of £65,000 ("Director Loans"), to the Company. Pursuant to the terms of the Director Loans, the loans have been provided to the Company on an interest free basis and are repayable by 30 September 2025, after which repayment is at the Directors' discretion and subject to the Company being able to meet its minimum working capital requirements.

Posting of Accounts and Notice of AGM

The Company announces that its audited annual accounts for the year ended 31 July 2024, together with the notice of Annual General Meeting ("AGM"), will be sent to shareholders shortly. The AGM will be held at Eccleston Yards, 25 Eccleston Place, London, United Kingdom, SW1W 9NF on 21 August 2025 at 11:00 a.m.

Copies of the annual accounts and notice of AGM are also available on the Company's website.

Chairman's Statement

Introduction

The Company continued to make progress during the 12 months ended 31 July 2024 in the development of its green hydrogen production system through the testing of key components of the system, including the wind turbine and electrolyser. We have also commenced the licensing of the technology in new jurisdictions, with negotiations in Ireland and the USA which concluded in agreements being signed after the period end.

Development activities

Wind turbine development

The proprietary turbine provides the ability to generate energy over a broader range of wind speeds and, significantly, the turbine can be raised and lowered for optimal wind capture, whilst also reducing maintenance and installation costs and reducing permitting and approval lead times. The system is designed to meet the needs of remote off-grid communities or energy users to ease the burden on existing national grid infrastructure.

Following the successful collection of data from the initial prototype turbine in Montana, a new, more robust, and more heavily instrumented version was constructed in 2024, however, its installation was delayed due to a fault with the control unit which required upgrading, and a shortage of specialist consultants at site. Once the new turbine and electronics are deployed, the improved testing configuration will enable remote data collection whilst new sensors will provide more reliable automatic yaw and turbine braking control in high winds.

Tim Blake, CEO, made an extended site visit to Whitehall, Montana having conducted a review of the testing facilities and equipment whilst meeting with key stakeholders. We also took delivery of several litres of wastewater from the mine site tailings facility proximate to the wind turbine site in Whitehall. The wastewater was delivered to the University of Bristol for analysis so that the Company can determine the appropriate separation and cleaning process for its use as electrolysis feedstock. The opportunity for HFI to turn wastewater from mines around the world into energy and clean water could be significant.

Agreement has also been reached with Schneider Electric ("Schneider") to provide key software to assist in the flowsheet and economic analysis to support the mine site feasibility study at Whitehall, and other locations within the major mining company's international operations. It is expected that the analysis provided by the Schneider software will provide further evidence of the positive carbon and economic benefits the HFI system could deliver in the mining sector.

Electrolyser development

Concept testing of the Company's novel electrolyser continued throughout the period in California, USA, led by quantum-physicist, Dr Nicholas Blake, a consultant to HFI and Technical Advisory Board member. The series of tests undertaken achieved an exceptional efficiency of over 97%.

Efforts have subsequently been made to expedite the development of our inaugural commercial scale electrolyser and apply for patents around the new intellectual property, whilst advancing efficiency and cost-reduction strategies. Notably, HFI's electrolyser operates efficiently without the need for expensive platinum group metals, marking a significant stride towards reduced operational and maintenance costs, one of the project's primary objectives.

Corporate activities

Fundraising

In February 2024 the Company successfully completed a subscription to raise gross proceeds of £545,000 through the issue of 10,900,000 new ordinary shares. Alongside other existing and new investors, I and my fellow directors, Daniel Maling and Fungai Ndoro, all participated as well as the Company's non-board CEO and largest shareholder, Timothy Blake.

In April 2024 the Company raised an additional £60,000 through the issue of 1,200,000 new ordinary shares.

The proceeds of the fundraisings were used to fund the ongoing turbine feasibility study within the mining sector and further develop the Company's existing technologies as well as provide working capital.

Financial Review

Key financials for the Group for the 12 months ended 31 July 2024 are stated below:

- Cash and cash equivalents at year end were approximately £13,000
- Loss before taxation for the year was approximately £1,047,000
- Net cash outflow for the year was approximately £252,000
- The Group held net assets at year-end of approximately £570,000

The Group has invested significantly in research and development in the period which accounts for a significant portion of the loss incurred. As prototype and other testing progresses through the next phases, the Group will look to capitalise this expenditure once it satisfies the necessary requirements laid out in "IAS 38 - Intangible Assets." The remaining loss in the period relates to general administrative expenses of running the Group (see explanatory Note 4).

Board Changes

In April 2024, Fungai Ndoro resigned as a non-executive director to pursue other roles. At that time Timothy Blake was appointed as CEO of the Company in a non-board capacity to reflect his pivotal role in the development of the IP that underlies the Company's green technology.

In June 2024, Hannah Haxby (known by her maiden name of Hannah Woodley) was appointed as a non-executive director.

Post balance sheet events

Board Changes

Ms Woodley stepped down as a director in November 2024 to pursue her executive roles elsewhere.

Due to other commitments Daniel Maling stepped down as Commercial Director in November 2024 and took up the role of Non-executive Director. I replaced Daniel as the executive director in the role of Executive Chairman.

In April 2025, the Board appointed Jonathan Colvile as a Non-executive Director. Previously Mr Colvile was Vice Chairman at Celsius Resources from 2022-2023; he was employed at Mirabaud Securities from 2007-2019 as Head of Mining and Natural Resources. Prior to this, he worked at Cannacord Genuity from 2000-2007, and James Capel from 1983-1998.

Licensing Agreement for the Republic of Ireland

Immediately following the year-end, a licensing agreement was signed to deploy the Company's technology in the Republic of Ireland via a newly incorporated Irish company, Hydrogen Future Industries (Ireland) Limited ("HFI Ireland"). HFI Ireland intends to develop a pilot hydrogen production system in Ireland to demonstrate the production of low-cost green hydrogen.

The Company's wholly owned subsidiary, HFI IP Holdings Limited, granted HFI Ireland an exclusive territory licence for up to 20 years in consideration for which the Company will receive a licence fee of up to €2,250,000 payable over the term of the licence. The Company will also be issued with an initial 30% equity interest in HFI Ireland.

HFI Ireland's objective is to commercialise the HFI system (including wind turbines and electrolysers) in Ireland and to construct and operate wind turbine farms for the purpose of hydrogen generation, storage, sale, and distribution within Ireland.

Licensing Agreement for the United States of America

In June 2025, a licensing agreement was signed to deploy the Company's technology in the United States of America via a special purpose vehicle, HFI Energy Systems US Inc ("HFI Energy"). HFI Energy intends to develop a green energy park in Montana, USA utilising the Company's technology.

The Company's wholly owned subsidiary, HFI IP Holdings Limited, will grant HFI Energy an exclusive licence for a minimum of 10 years upon receipt of a licence fee of US\$2,000,000 payable within four months of signing the agreement. The Company has agreed that it will use US\$1,000,000 received in respect of the licence fee for the development of the wind turbine energy system. HFI Energy can renew the licence by paying a renewal fee of US\$2,000,000.

HFI Energy's objective is to commercialise the HFI system (including wind turbines and electrolysers) in the USA and to construct and operate wind turbine farms for the purpose of hydrogen generation, storage, sale, and distribution in the USA.

The Company also signed heads of terms with HFI Energy for a Manufacturing Licence which sets out the terms under which they are authorised to manufacture the Company's products for distribution and installation within the USA. That agreement is conditional upon executing a shareholder agreement between the Company and HFI Energy and the issue of 20% of the equity in HFI Energy to the Company.

Under the terms of the agreement royalties of up to 5% are payable upon delivery and installation of the relevant Licensed Products.

Issue of equity

In April 2025, the Company issued 2,906,250 new ordinary shares at a price of 1.6 pence per share to creditors in lieu of cash for consultancy and service provider fees. The shares are subject to a six-month lock-in agreement.

Suspension

On 3 February 2025 the Group was suspended from trading on AQSE for late lodgement of accounts.

Conclusion

Despite the challenges of being a technology developer in a tough economic environment, we have never lost sight of the prize. The performance improvement of the HFI wind turbine over existing ones is potentially game changing on a world-scale. We look forward to further demonstrating this in the coming year with the next prototype delivering additional certified results and with plans to upscale to a larger turbine.

Neil Ritson

Non-Executive Chairman

Independent auditor's report to the members of Hydrogen Future Industries Plc

Qualified opinion

We have audited the consolidated financial statements of Hydrogen Future Industries Plc (the 'parent company') and its subsidiaries ('the group') for the year ended 31 July 2024 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Parent Company Statement of Financial Position, Consolidated Statement of Change in Equity, Parent Statement of Change in Equity, Consolidated Statement of Cashflow, Parent Statement of Cashflow and notes to the consolidated financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law UK adopted international accounting standards.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the financial statements:

- the consolidated financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2024 and of the group's loss for the year then ended;

- the consolidated financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the consolidated financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the consolidated financial statements, Article 4 of the IAS Regulation.

Basis for qualified opinion

Intangible assets

The intangible assets are carried at approximately GBP641,000 on the consolidated statement of financial position as at 31 July 2024. We have not yet obtained sufficient and appropriate audit evidence to satisfy ourselves as to the valuation of intangible assets of GBP641,000 as at 31 July 2024. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 consolidated financial statements* section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 in the consolidated financial statements, which mentions that the group incurred a loss for the year and cash outflow approximately GBP1,047,000 and 865,000 for the year ended 31 July 2024, respectively. These conditions indicate a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the consolidated financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's consolidated financial statements projections which covered a period of at least 12 months from the date of approval of the consolidated financial statements.
- Challenging management on the assumptions underlying those projections particularly on the nature and timing of forecast cash inflows.
- Obtaining the latest management accounts post period end to benchmark how the group is performing toward achieving the forecast.
- Assessing the completeness and accuracy of the matter described in the going concern disclosure within the significant accounting policies as set out on note 2.2.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. We have determined that there are no key audit matters to communicate in our report.

Our approach to the audit

Our scoping of the company audit was tailored to enable us to give an opinion on the financial statements as a whole. The company was subject to a full scope audit.

Our application of materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be approximately £15,500, based on 2% of total assets.

We used different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £11,625 for the group and the parent.

Where considered appropriate performance materiality may be reduced to a lower, such as, for related party transactions and Directors' remuneration.

We agreed to report to it all identified errors in excess of approximately £775. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the UK adopted international accounting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), taxation legislation, and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors' and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within judgement and estimates, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Council about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of nondetection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Lee Lederberg FCCA (Senior Statutory Auditor)

For and on behalf of
Edwards Veeder (UK) Limited
Chartered accountants & statutory auditor
4 Broadgate Boardway Business Park
Chadderton, Oldham OL9 9XA
Date: 25 July 2025

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2024**

	Note	Audited Year ended 31 July 2024 £'000	Audited Year ended 31 July 2023 £'000
Continuing Operations			
Revenue from continuing operations		-	-
Directors fees		(66)	(108)
Professional fees		(243)	(208)
Research and development		(185)	(402)
Share based payments		(1)	(13)
Depreciation & amortization		(61)	(44)
Administrative expenses	4	(393)	(328)
Operating loss		(949)	(1,103)
Finance expenses		(4)	(3)
Share of loss of equity accounted associate		(10)	(7)
Impairment of an associate		(84)	-
Loss before taxation		(1,047)	(1,113)
Taxation on loss or ordinary activities	7	-	-
Loss for the year from continuing operations		(1,047)	(1,113)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		3	18
Total comprehensive loss for the year		(1,044)	(1,095)
Loss for the year attributable to:			
Owners of the parent		(1,038)	(1,113)
Non-controlling interest		(9)	-
		(1,047)	(1,113)
Total comprehensive loss for the year attributable to:			
Owners of the parent		(1,035)	(1,113)
Non-controlling interest		(9)	-
		(1,044)	(1,113)
Basic & dilutive earnings per share - pence	8	(1.9)	(3.14)

The notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2024

	Note	Audited As at 31 July 2024 £'000	Audited As at 31 July 2023 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	20	25
Intangibles assets	10	641	476
Right-of-use assets	11	41	72
Investments in an associate	12	19	93
TOTAL NON-CURRENT ASSETS		722	666
CURRENT ASSETS			
Cash and cash equivalents	13	13	262
Trade and other receivables	14	40	51
TOTAL CURRENT ASSETS		53	313
TOTAL ASSETS		775	979
NON-CURRENT LIABILITIES			

Lease liabilities	11	-	24
TOTAL NON-CURRENT LIABILITIES		-	24
CURRENT LIABILITIES			
Trade and other payables	16	97	103
Lease liabilities	11	43	43
Borrowings	17	65	-
TOTAL CURRENT LIABILITIES		205	146
TOTAL LIABILITIES		205	170
NET ASSETS		570	809
EQUITY			
Share capital	18	618	478
Share premium	18	4,075	3,482
Share based payment reserve	19	91	44
Foreign exchange reserve		21	18
Retained earnings		(4,226)	(3,213)
Non-controlling interest		(9)	-
TOTAL EQUITY		570	809

The notes on form an integral part of these consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the board on 25 July 2025 and were signed on its behalf by:

.....
Neil Ritson
Non-Executive Chairman

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2024

	Note	Audited As at 31 July 2024 £'000	Audited As at 31 July 2023 £'000
NON-CURRENT ASSETS			
Right-of-use assets	11	41	72
Investments in an associate	12	19	93
Intercompany receivables	15	34	2,791
TOTAL NON-CURRENT ASSETS		94	2,956
CURRENT ASSETS			
Cash and cash equivalents	13	11	248
Trade and other receivables	14	40	41
TOTAL CURRENT ASSETS		51	289
TOTAL ASSETS		145	3,245
NON-CURRENT LIABILITIES			
Lease liabilities	11	-	24
TOTAL NON-CURRENT LIABILITIES		-	24
CURRENT LIABILITIES			
Trade and other payables	16	84	77
Lease liabilities	11	43	43
Borrowings	17	65	-
TOTAL CURRENT LIABILITIES		192	120
TOTAL LIABILITIES		192	144
NET (LIABILITIES) /ASSETS		(47)	3,101
EQUITY			
Share capital	18	618	478
Share premium	18	4,075	3,482
Share based payment reserve	19	91	44
Retained earnings		(4,831)	(903)
TOTAL EQUITY		(47)	3,101

The notes form an integral part of these consolidated financial statements.

The Company has taken advantage of section 408 of the Companies Act 2006 and consequently a profit and loss account has not been presented for the Company. The Company's loss for the financial year was approximately £3,953,000 (2023: £903,000)

The financial statements were approved and authorised for issue by the board on 25 July 2025 and were signed on its behalf by:

.....
Neil Ritson

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 JULY 2024**

	Attributable to owner of the parent				
	Share capital	Share premium	SBP reserve	Foreign exchange reserve	Retained earnings
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2022	298	1,900	31	-	(7)
Loss for the year	-	-	-	-	(1,1)
Other comprehensive income	-	-	-	18	-
Total comprehensive income for the year	-	-	-	18	(1,1)
Transactions with owners in own capacity					
Ordinary Shares issued in the year	180	1,616	-	-	-
Acquisition of subsidiary - HFI IP Holdings	-	-	-	-	(1,4)
Employee options issued	-	-	13	-	-
Share Issue Costs	-	(34)	-	-	-
Transactions with owners in own capacity	180	1,582	13	-	(1,4)
Balance at 31 July 2023	478	3,482	44	18	(3,2)

	Attributable to owner of the parent					Non-controlling interest	Total equity
	Share capital	Share premium	SBP reserve	Foreign exchange reserve	Retained earnings		
	£'000	£'000	£'000	£'000	£'000		
Balance at 1 August 2023	478	3,482	44	18	(3,213)	-	809
Loss for the year	-	-	-	-	(1,038)	(9)	(1,047)
Other comprehensive income	-	-	-	3	-	-	3
Total comprehensive income for the year	-	-	-	3	(1,038)	(9)	(1,044)
Transactions with owners in own capacity							
Ordinary Shares issued in the year	140	648	66	-	-	-	854
Employee options issued	-	-	1	-	-	-	1
Consideration of intangible assets	-	-	5	-	-	-	5
Forfeiture of share warrants	-	-	(25)	-	25	-	-
Share issue costs	-	(55)	-	-	-	-	(55)
Transactions with owners in own capacity	140	593	47	-	25	-	805
Balance at 31 July 2024	618	4,075	91	21	(4,226)	(9)	570

PARENT STATEMENT OF CHANGES IN EQUITY

AS AT 31 JULY 2024

	Share capital	Share premium	SBP reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2022	298	1,900	31	(477)	1,752
Loss for the year	-	-	-	(426)	(426)
Total comprehensive income for the year	-	-	-	(426)	(426)
Transactions with owners in own capacity					
Ordinary Shares issued in the year	180	1,616	-	-	1,796
Employee options issued	-	-	13	-	13
Share Issue Costs	-	(34)	-	-	(34)
Transactions with owners in own capacity	180	1,582	13	-	1,775
Balance at 31 July 2023	478	3,482	44	(903)	3,101
Balance at 1 August 2023	478	3,482	44	(903)	3,101
Loss for the year	-	-	-	(3,953)	(3,953)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(3,953)	(3,953)
Transactions with owners in own capacity					
Ordinary Shares issued in the year	140	648	66	-	854
Employee options issued	-	-	1	-	1
Consideration of subsidiary intangible assets	-	-	5	-	5
Forfeiture share warrants	-	-	(25)	25	-
Share issue costs	-	(55)	-	-	(55)
Transactions with owners in own capacity	140	593	47	25	805
Balance at 31 July 2024	618	4,075	91	(4,831)	(47)

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 JULY 2024

	Audited Year ended 31 July 2024	Audited Year ended 31 July 2023
Note	£'000	£'000

Cash flow from operating activities		
Loss for the financial year	(1,047)	(1,113)
<i>Adjustments for:</i>		
Finance expenses	4	3
Share based payments	1	13
Depreciation on fixed assets	8	8
Depreciation on right-of-use assets	31	19
Amortization on intangible assets	22	16
Share of loss of equity accounted associate	10	7
Impairment of associate	84	-
Foreign exchange	-	19
Cash from operating activities	(887)	(1,028)
Decrease in trade and other receivables	27	45
(Decrease) / Increase in trade and other payables	(5)	20
Cash generated from operations	(865)	(963)
Interest paid	-	(3)
Net cashflow from operating activities	(865)	(966)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3)	(16)
Investment in associate	(20)	(50)
Purchase of intangible assets	(8)	(33)
Net cash flow from investing activities	(31)	(99)
Cash flows from financing activities		
Proceeds from issue of shares	660	-
Share issue costs	(55)	(34)
Lease liabilities	(28)	(24)
Proceeds of borrowings	65	-
Net cash flow from financing activities	642	(58)
Net decrease in cash and cash equivalents	(254)	(1,123)
Cash and cash equivalents at beginning of the year	262	1,383
Foreign exchange effect on cash balance	5	2
Cash and cash equivalents at end of the year	13	262

The notes form an integral part of these consolidated financial statements

PARENT COMPANY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 JULY 2024

	Audited Year ended 31 July 2024	Audited Year ended 31 July 2023
Note	£'000	£'000
Cash flow from operating activities		
Loss for the financial year	(3,953)	(426)
<i>Adjustments for:</i>		
Impairment loss	3,490	-
Share of loss of equity accounted associate	10	7
Impairment of associate	84	-
Share based payments	1	13
Depreciation on right of use assets	31	19

Finance expenses	4	3
Cash generated from operations	(333)	(384)
Decrease / (increase) in trade and other receivables	(15)	495
Increase in trade and other payables	5	(1)
Cash generated from operations	(343)	110
Interest paid	-	(3)
Net cashflow from operating activities	(343)	107
Cash flows from investing activities		
Investment in associate	(20)	(50)
Net cash flow from investing activities	(20)	(50)
Cash flows from financing activities		
Proceeds from issue of shares	660	-
Share issue costs	(55)	(34)
Loan to subsidiaries	(520)	(1,045)
Proceeds of borrowings	65	
Lease liabilities	(28)	(24)
Net cash flow from financing activities	122	(1,103)
Net increase in cash and cash equivalents	(241)	(1,046)
Cash and cash equivalents at beginning of the year	248	1,294
Foreign exchange effect on cash balance	4	-
Cash and cash equivalents at end of the year	11	248

The notes form an integral part of these consolidated financial statements
Notes

1. General Information

The Company was incorporated on 13 July 2021 in England and Wales with Registered Number 13508782 under the Companies Act 2006. The principal activity of the Group is as a developer of proprietary wind-based green hydrogen production systems. The Group is currently in the research and development phase with the aims to look to begin producing a commercially viable product in the short to near future.

The address of its registered office is Eccleston Yards, 25 Eccleston Place, London SW1W 9NF, United Kingdom.

The Group commenced trading on the Aquis Stock Exchange ("AQSE") Growth Market on 1 December 2021.

2. Accounting policies

The principal accounting policies applied in preparation of these consolidated financial statements ("financial statements") are set out below. These policies have been consistently applied unless otherwise stated.

2.1 Basis of preparation

The financial statements for the year ended 31 July 2024 have been prepared by Hydrogen Future Industries Plc in accordance with UK-adopted International Accounting Standards ('IFRS'). The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in Note 2.22.

The financial statements present the results for the Group and Company for the year ended 31 July 2024.

The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently in the financial statements. The financial statements are prepared in Pounds Sterling, which is the Group's presentational currency, and presented to the nearest £'000.

2.2 Going concern

The Group incurred a loss for the year of approximately GBP1,042,000 and net cash outflow of approximately GBP882,000 for the year ended 31 July 2024. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group has cash and cash equivalents of approximately £13k (2023: £262K). The Directors have prepared detailed forecasts and analysis that account for their best estimate of committed expenditure, expected fundraising and are of the view this is sufficient to fund the Group's expenditure over the next 12 months from the date of approval of these financial statements.

The directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

2.3 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions.

2.4 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 share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Retained losses includes all current and prior period results as disclosed in the income statement.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve except to the extent that the translation difference is allocated to non-controlling interests.

2.5 Foreign currency translation

(i) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(ii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 July each year. Per IFRS 10, control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses 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 listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

2.7 Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

When the Group acquires any plant and equipment it is stated in the accounts at its cost of acquisition less depreciation and any impairments.

Depreciation is charged to write off the costs less estimated residual value of plant and equipment on a straight line basis over their estimated useful lives being:

- Plant and equipment 5 - 7 years

- Computer & IT equipment 3 years

Estimated useful lives and residual values are reviewed each year and amended as required.

2.9 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss);
- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

d) Impairment

The Company assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.10 Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount

equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables, contract assets and lease receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables, contract assets and lease receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

2.11 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

2.12 Leases

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In all instances the leases were discounted using the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than £5k) are recognised on a straight-line basis as an expense in profit or loss. The short term lease exemption has been utilised by the Company in relation to property leases held in the US based subsidiary HFI Energy Systems US Inc. These leases are on a rolling month-month basis and hence there is no long term commitment entered into.

2.13 Intangible assets

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold
- adequate resources are available to complete the development
- there is an intention to complete and sell the product
- the Group is able to sell the product
- sale of the product will generate future economic benefits, and - expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within the administrative expenses, in the consolidated statement of comprehensive income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as research and development costs as incurred.

Patents

During the prior year the Group acquired a suite of international patents related to the development of its wind and water-based hydrogen production systems. Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Amortisation is charged to write off the cost less estimated residual value of patents on a straight line basis over their estimated useful lives which are:

- Patents 30 years

Other intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). As of the end of the period none of the intangible assets show any indicators of impairment.

2.14 Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using

tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.15 Share based payments

The Group issues equity-settled and cash-settled share-based payments to certain employees and advisors. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

2.16 Segmental analysis

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2.17 Related parties

- a. A related party is a person or entity that is related to the Group.
 - I. A person or a close member of that person's family is related to the Group if that person:
 - II. has control or joint control over the Group;
 - III. has significant influence over the Group; or
 - IV. is a member of the key management personnel of the Company or of a parent of the Company.
- b. An entity is related to the Group if any of the following conditions applies:
 - I. The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - II. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - III. Both entities are joint ventures of the same third party.
 - IV. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - V. The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - VI. The entity is controlled or jointly controlled by a person identified in (A).

VII. A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

VIII. The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

2.18 Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

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

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.19 Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

2.20 Events after reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

2.21 New standards and interpretations not yet adopted

In the current year, the group has adopted all the new and revised UK adopted international accounting standards that are relevant to its operations and effective for its accounting year beginning on 1 August 2022. The adoption of these new and revised UK adopted international accounting standards did not result in significant changes to the group's accounting policies, presentation of the group's financial statements and amounts reported.

2.22 Critical accounting judgements and key sources of estimation uncertainty

Critical judgement in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements

Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of the controlling shareholder at a level sufficient to finance the working capital requirements of the Group. Details are explained in note 2.2 to financial statements

Equity pick up of entity of less than 20% equity interest

Although the Group holds less than 20% of the voting power of Tower Green Holdings Limited (the "TGH"), the Group exercises significant influence over TGH because the Group one director out of the five directors of TGH as at 31 July 2024.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of intangible assets

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

Impairment of investments and loans to subsidiaries

The Group and the Company assess at each reporting date whether there is any objective evidence that investments in and loans to subsidiaries are impaired. To determine whether there is objective evidence of impairment, a considerable amount of estimation is required in assessing the ultimate realisation of these

investments/receivables, including valuation, creditworthiness and future cashflows. As at the year end the Directors do not assess there to be any impairment of these amounts.

3. Segmental analysis

The Group manages its operations in two segments, being the development of proprietary wind and water-based green hydrogen production systems primarily in North America and corporate functions in the United Kingdom. The results of these segments are regularly reviewed by the board as a basis for the allocation of resources and to assess their performance.

The Group generated **no** revenue during the year ended 31 July 2024 (2023: £0)

	United Kingdom £'000	North America £'000	Consolidated £'000
Revenue			
Directors fees	(66)	-	(66)
Salaries and wages	(200)	-	(200)
Professional fees	(223)	(20)	(243)
Research and development	-	(185)	(185)
Share based payments	(1)	-	(1)
Other administrative expenses	(154)	(31)	(185)
Foreign exchange	(3)	(5)	(8)
Depreciation & amortization	(54)	(7)	(61)
Operating loss	(701)	(248)	(949)
Finance expenses	(4)	-	(4)
Share of (loss) of equity accounted associates	(10)	-	(10)
Impairment of associate	(84)		(84)
Operating loss before taxation	(799)	(248)	(1,047)
Reportable segment assets	757	18	775
Reportable segment liabilities	(200)	(5)	(205)

4. Administrative expenses

Administrative expense for the Group are detailed below:

	Audited Year ended 31 July 2024 £'000	Audited Year ended 31 July 2023 £'000
Salaries & wages	(200)	(48)
Travel & business development	(25)	(78)
Insurance	(16)	(11)
Other administrative expenses	(144)	(164)
Foreign exchange	(8)	(27)
	(393)	(328)

5. Employees

The average number of persons employed by the Group (including Directors) during the year ended 31 July 2024 was:

	No of employees 2024	No of employees 2023
Management	5	5
	5	5

The aggregate payroll costs of these persons (including Directors) were as follows:

	£'000	£'000
Management	266	156
Research and development (technical staff)	-	180
	266	336

6. Auditor's Remuneration

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
In respect of the audit of the Group accounts	28	22
Other non-audit services	-	-
	<u>28</u>	<u>22</u>

7. Taxation

A reconciliation of the value from the statement of comprehensive income is detailed below:

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
Corporation tax on the results for the year	-	-
A reconciliation of tax charge is provided below:		
Loss before taxation per the financial statements	(1,047)	(1,113)
Costs disallowed for tax purposes	155	-
Tax credit at the weighted average of the standard rate of corporation tax in UK of 25% (31 July 2023: 19%)	(223)	(211)
Current year losses for which no deferred tax asset is recognised	223	211
Income tax charge for the year	<u>-</u>	<u>-</u>

The Company has total carried forward losses of approximately £2,472,000 (2023: £1,580,000). The taxed value of the unrecognised deferred tax asset is approximately £618,000 (2023: £300,000) and these losses do not expire. No deferred tax assets in respect of tax losses have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

8. Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the year.

	Audited Year ended 31 July 2024	Audited Year ended 31 July 2023
Net loss for the year attributable to ordinary equity holders for continuing operations (£'000)	(1,038)	(1,113)
Weighted average number of ordinary shares in issue	54,231,284	35,463,562
Basic and diluted earnings per share for continuing operations (pence)	(1.90)	(3.14)

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented.

9. Property, plant and equipment

Group Total

	PP&E £'000	Total £'000
Cost		
Opening balance	18	18
Additions in the year	15	15
At 31 July 2023	33	33
Additions in the year	3	3
At 31 July 2024	36	36
Depreciation		
Opening balance	-	-
Charge for the year	8	8
At 31 July 2023	8	8

Charge for the year	8	8
At 31 July 2024	16	16
Net book value 31 July 2023	25	25
Net book value 31 July 2024	20	20

10. Intangible assets

	Patents £'000	Total £'000
Cost		
Opening balance	-	-
Additions in the year	492	492
At 31 July 2023	492	492
Additions in the year	187	187
At 31 July 2024	679	679
Amortization		
Opening balance	-	-
Charge for the year	(16)	(16)
At 31 July 2023	(16)	(16)
Charge for the year	(22)	(22)
At 31 July 2024	(38)	(38)
Net book value 31 July 2023	476	476
Net book value 31 July 2024	641	641

On 5 October 2022 the Group successfully completed the acquisition of a suite of international patents which are relevant to the systems being developed by the Company. The board believes the patents may have commercial applications within both the Group's future wind based green hydrogen production systems and the wider wind energy generation sector.

11. Leases Company

	As at 31 July 2024 £'000	As at 31 July 2023 £'000
<i>Right-of-use assets</i>		
Motor vehicles	7	15
Property	34	57
	41	72
<i>Lease liabilities</i>		
Current	43	43
Non-current	-	24
	43	67

Right of use assets

A reconciliation of the carrying amount of the right-of-use asset is as follows:

	As at 31 July 2024 £'000	As at 31 July 2023 £'000
<i>Motor vehicles</i>		
Opening balance	15	-
Additions	-	22
Depreciation	(8)	(7)
	7	15
<i>Property</i>		
Opening balance	57	-
Additions	-	69
Depreciation	(23)	(12)

	<u>34</u>	<u>57</u>
Total	<u>41</u>	<u>72</u>

Lease liabilities

A reconciliation of the carrying amount of the lease liabilities is as follows:

	As at 31 July 2024 £'000	As at 31 July 2023 £'000
Opening balance	67	22
Additions	-	69
Repayments	(28)	(27)
Finance charge	4	3
	<u>43</u>	<u>67</u>

12. Investment in an associate

The following entities have been included in the financial statements using the equity method:

	Country of incorporation	Proportion of ownership interest held as at 31 July 2024
Tower Green Holdings Limited ¹	United Kingdom	15%

On 23 January 2023 the Group acquired a 20% interest in Tower Green Holdings Limited ("TGH") over which the Group has determined that it holds significant influence as:

- HFI & TGH have one mutual director
- Material shareholding of 20%

Based on this the Group considers that they have the power to exercise significant influence. On 11th July 2024 TGH issued additional ordinary shares and diluted HFIs holdings to 15%. Although the Group holds less than 20% of the voting power of Tower Green Holdings Limited the Group exercises significant influence over TGH because the Group has one director out of the five directors of TGH as at 31 July 2024.

Summarised financial information (material associates):

	As at 31 July 2024 £'000
Current assets	127
Current liabilities	(4)
Net assets total	123
Group share of net assets (15%)	18
Year to 31 July 2024	
Revenues	-
Loss from continuing operations	(70)
Group share of loss (15%)	(10)
Carrying value of investment as at 31 July 2023	93
Additions	20
Impairment	(84)
Share of net loss	(10)
Carrying value of investment as at 31 July 2024	19

13. Cash and cash equivalents

	Company 31 July 2024 £'000	Group 31 July 2024 £'000	Company 31 July 2023 £'000	Group 31 July 2023 £'000
Cash at bank	11	13	248	262
	11	13	248	262

Majority of the cash is held with Alpha FX foreign exchange trading platform who utilise the banking facilities of Lloyds Banking Group Plc (credit ratings: S&P's BBB+, A3, Fitch A). Daily working capital amounts are held through the Wise online banking platform in the UK and Rocky Mountain Online Bank in the US. These online banking platforms do not currently have credit ratings available.

The denomination of amounts in foreign currencies is as follows:

	Company 31 July 2024 £'000	Group 31 July 2024 £'000	Company 31 July 2023 £'000	Group 31 July 2023 £'000
USD	-	1	-	10
GBP	11	12	248	252
	11	13	248	262

14. Trade and other receivables

	Company 31 July 2024 £'000	Group 31 July 2024 £'000	Company 31 July 2023 £'000	Group 31 July 2023 £'000
Prepayments	17	17	10	20
Lease deposit	13	13	13	13
VAT receivable	5	5	18	18
Other receivables	5	5	-	-
	40	40	41	51

15. Intercompany receivables

	Company 31 July 2024 £'000	Group 31 July 2024 £'000	Company 31 July 2023 £'000	Group 31 July 2023 £'000
Loans to subsidiaries	34	-	2,791	-
	34	-	2,791	-

16. Trade and other payables

	Company 31 July 2024 £'000	Group 31 July 2024 £'000	Company 31 July 2023 £'000	Group 31 July 2023 £'000
Trade payables	48	66	48	48
Accruals	32	34	22	22
Employer obligations	1	2	7	33
Other liabilities	3	-	-	-
	84	97	77	103

17. Borrowings

Company 31 July 2024	Group 31 July 2024	Company 31 July 2023	Group 31 July 2023
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	£'000	£'000	£'000	£'000
Directors loan	65	65	-	-
	65	65	-	-

Borrowings relate to funds paid by Neil Ritson and Daniel Maling to fund working capital requirements of the business. The Loan was paid in multiple tranches through the year. The loan is interest free, unsecured and repayable within 1 year.

18. Share capital and share premium

	Ordinary shares £'000	Share capital £'000	Share premium £'000	Total £'000
At 31 July 2022	29,800,000	298	1,900	2,198
Issue of ordinary shares ¹	3,450,000	35	311	345
Issue of ordinary shares ²	500,000	5	45	50
Issue of ordinary shares ³	14,000,000	140	1,260	1,400
Share issue costs	-	-	(34)	(34)
At 31 July 2023	47,750,000	478	3,482	3,960
Issue of ordinary shares ⁴	1,750,000	17	157	174
Issue of ordinary shares ⁵	11,050,000	111	443	554
Issue of ordinary shares ⁶	1,200,000	12	48	60
Share issue costs	-	-	(55)	(55)
As at 31 July 2024	61,750,000	618	4,075	4,693

¹ On 5 October 2022, the Company issued 3,450,000 ordinary shares of £0.01 at their nominal value of £0.01.

² On 16 January 2023, the Company issued 500,000 ordinary shares of £0.01 at a price of £0.1 per share.

³ On 23 May 2023, the Company issued 14,000,000 ordinary shares of £0.01 at a price of £0.1 per share.

⁴ On 5th May 2024 1,750,000 ordinary shares were issued at 10p as the second tranche of consideration for the patents acquired by the Company

⁵ On 20th February 2024 11,500,00 shares were issued for 5p per share for total proceeds of £553,000

⁶ On 8th April 2025 1,200,000 ordinary shares were issued at 5p per share for total proceeds of £60,000

There is currently an authorised share capital limit in place for the Company which is subject to review at the next Annual General Meeting.

19. Share based payment reserves

	Company £'000	Group £'000
At 31 July 2022	31	31
Employee options issued ¹	13	13
At 31 July 2023	44	44
Vesting of employee options	1	3
Acquisition of patents	5	4
Broker warrants issued	66	66
Lapsed warrants	(25)	-
As at 31 July 2024	91	119

¹ On 4 November 2022, the Company issued 6 million employee options to the directors, the CEO of HFI Energy Systems Ltd (Tim Blake) and a consultant. The options are exercisable at the price of £0.10 per

ordinary share and are exercisable, either in whole or part, for a period of 5 years from the date of issue. All options vest immediately apart from 1.5 million options issued to Tim Blake which have separate performance conditions.

The estimated fair values of warrants & options which fall under IFRS 2, and the inputs used in the Black-Scholes pricing model to calculate those fair values are as follows:

Date of grant	Number of warrants	Share price	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividends
5 October 2022	1,625,000	£0.065	£0.12	15%	3	4.25%	0.00%
5 October 2023	875,000	£0.058	£0.12	40%	3	4.65%	0.00%
20 February 2024	5,525,000	£0.045	£0.05	47%	2	4.2%	0.00%
11 April 2024	600,000	£0.0375	£0.05	47%	2	4.2%	0.00%

Date of grant	Number of options	Share price	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividends
4 November 2022	6,000,000	£0.065	£0.10	15%	5	4.25%	0.00%

Warrants

As at 31 July 2024		
	Weighted average exercise price	Number of warrants
Brought forward at 1 August 2023	5p	9,675,000
Lapsed during the year	5p	(7,900,000)
Granted in year	12p	875,000
Granted in year	5p	6,125,000
Outstanding at 31 July 2024	6.25p	8,775,000
Exercisable at 31 July 2024	6.25p	8,775,000

The average weighted time to expiry of the warrants is 1.62 years

Options

As at 31 July 2024		
	Weighted average exercise price	Number of options
Brought forward at 1 August 2023	10p	6,000,000
Granted in year	-	-
Vested in year	-	-
Outstanding at 31 July 2024	10p	6,000,000
Exercisable at 31 July 2024	10p	4,500,000

The average weighted time to expiry of the options is 3.27 years

20. Investments - Subsidiaries

Name	Holding	Business Activity	Country of Incorporation	Registered Address
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HFI Energy Systems Ltd	100%	Research & development	England & Wales	Eccleston Yards, 25 Eccleston Place, London SW1W 9NF
HFI Energy Systems US Inc	100%	Research & development	United States of America	16 Nugget Court, Whitehall, MT 59759
HFI IP Holdings Ltd	100%	IP holding company	England & Wales	Eccleston Yards, 25 Eccleston Place, London SW1W 9NF
HFI Development Ltd	100%	Research & development	England & Wales	Eccleston Yards, 25 Eccleston Place, London SW1W 9NF
HFI Consulting Ltd	100%	Consulting	England & Wales	Eccleston Yards, 25 Eccleston Place, London SW1W 9NF
HFI Ireland	100%	Research & Development	Ireland	72 Adelaide road Dublin Ireland D02 y017

21. Financial Instruments and Risk Management

Principal financial instruments

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Company and the Group is to minimise costs and liquidity risk while simultaneously executing its business strategy.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, share premium, foreign exchange reserves and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are credit, foreign exchange and liquidity risks.

The management of these risks is vested to the Board of Directors. The sensitivity has been prepared assuming the liability outstanding was outstanding for the whole year. In all cases presented, a negative number in profit and loss represents an increase in expense/decrease in income.

General objectives and policies

As alluded to in the Directors report the overall objective of the Board is to set policies that seek to reduce risk as far as practical without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are detailed below.

Principal financial instruments

The principal financial instruments used by the Group from which the financial risk arises are as follows:

Policy on financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, other receivables, trade and other payables. The Group's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 2 - "Accounting Policies".

The Group does not use financial instruments for speculative purposes. The carrying value of all financial assets and liabilities approximates to their fair value.

Derivatives, financial instruments and risk management

The Group does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

Foreign currency risk

The Group operates in a global market with costs arising in multiple currencies and is exposed to foreign currency risk arising from commercial transactions, translation of assets and liabilities and net investment in foreign subsidiaries. Exposure to commercial transactions arise from purchases by operating companies in currencies other than the Group's functional currency. Currency exposures are reviewed regularly.

The Group has a limited level of exposure to foreign exchange risk through its foreign currency denominated cash balances:

	31 Jul 2024
\$USD	\$'000
Cash and cash equivalents	1
	<u>1</u>

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are monitored by the Board of Directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The Group applies IFRS 9 to measure expected credit losses for receivables, these are regularly monitored and assessed. Receivables are subject to an expected credit loss provision when it is probable that amounts outstanding are not recoverable as set out in the accounting policy.

The Group's principal financial assets are cash and cash equivalents. Cash equivalents include amounts held on deposit with financial institutions.

The credit risk on liquid funds held in current accounts and available on demand is limited because the Group's counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has zero trade receivables and therefore there is no risk relating to a 3rd party being unable to service its obligations.

No financial assets have indicators of impairment.

Liquidity risk

During the year ended 31 July 2024, the Group was financed by cash raised through equity funding. Funds raised surplus to immediate requirements are held as cash deposits in Sterling except for minor working capital requirements held in subsidiary bank accounts.

In managing liquidity risk, the main objective of the Group is to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

The table below shows the undiscounted cash flows on the Group's financial liabilities as at 31 July 2024 on the basis of their earliest possible contractual maturity.

	Total	Within 1 year
	£'000	£'000
At 31 July 2024		
Trade payables and other payables	97	97
Borrowings	65	65
	162	162
At 31 July 2023		
Trade payables and other payables	103	103
	103	103

22. Financial assets and liabilities

	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
At 31 July 2024			
Trade and other receivables*	23	-	23
Cash and cash equivalents	13	-	13
Trade and other payables	-	(84)	(84)
Borrowings	-	(65)	(65)
	36	(149)	(113)

	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
At 31 July 2023			
Trade and other receivables*	31	-	31
Cash and cash equivalents	262	-	262
Trade and other payables	-	(103)	(103)
	393	(103)	190

*Trade and other receivables exclude prepayments

23. Related Party Transactions

Directors Remuneration

See the Directors Remuneration Report prior to the financial statements for details on Director remuneration.

Related party - Consultants

Dr Nick Blake provides consulting services to the Company's US based subsidiary "HFI Energy Systems US Inc". Dr Nick Blake is the brother of the CEO of HFI Energy Systems Ltd and hence classified as a related party as defined in Note 2.17.a. During the year Dr Nick Blake received consulting fees amounting to USD\$120,000 (2023 : \$91,000) for consulting related specifically to the development of electrolyser prototype development.

24. Ultimate Controlling Party

As at 31 July 2024, Timothy Blake is a person with significant control as he controls ownership of between 25-50% of the share capital of the Company.

25. Capital Commitments

The Company does not have any other capital or contingent liabilities at year end.

26. Events Subsequent to period end

Board changes

Ms Woodley stepped down as a director in November to pursue her executive roles elsewhere.

Due to other commitments Daniel Maling stepped down as Commercial Director in November 2024 and took up the role of non-executive director. Neil Ritson replaced Daniel Maling as the executive director in the role of Executive Chairman.

In April 2025, the Board appointed Jonathan Colville as a non-executive director. Previously Mr Colville was Vice Chairman at Celsius Resources from 2022-2023; he was employed at Mirabaud Securities from 2007-2019 as Head of Mining and Natural Resources. Prior to this, he worked at Cannacord Genuity from 2000-2007, and James Capel from 1983-1998.

Licensing Agreement for the Republic of Ireland

Immediately following the year-end, a licensing agreement was signed to deploy the Company's technology in the Republic of Ireland via a newly incorporated Irish company, Hydrogen Future Industries (Ireland) Limited ("HFI Ireland"). HFI Ireland intends to develop a pilot hydrogen production system in Ireland to demonstrate the production of low-cost green hydrogen.

The Company's wholly owned subsidiary, HFI IP Holdings Limited, granted HFI Ireland an exclusive territory licence for up to 20 years in consideration for which the Company will receive a licence fee of up to €2,250,000 payable over the term of the licence. The Company will also be issued with an initial 30% equity interest in HFI Ireland.

HFI Ireland's objective is to commercialise the HFI system (including wind turbines and electrolysers) in Ireland and to construct and operate wind turbine farms for the purpose of hydrogen generation, storage, sale, and distribution within Ireland.

Licensing Agreement for the United States of America

In June 2025, a licensing agreement was signed to deploy the Company's technology in the United States of America via a special purpose vehicle, HFI Energy Systems US Inc ("HFI Energy"). HFI Energy intends to develop a green energy park in Montana, USA utilising the Company's technology.

The Company's wholly owned subsidiary, HFI IP Holdings Limited, will grant HFI Energy an exclusive licence for a minimum of 10 years upon receipt of a licence fee of US\$2,000,000 payable within four months of signing the agreement. The Company has agreed that it will use US\$1,000,000 received in respect of the licence fee for the development of the wind turbine energy system. HFI Energy can renew the licence by paying a renewal fee of US\$2,000,000.

HFI Energy's objective is to commercialise the HFI system (including wind turbines and electrolysers) in the USA and to construct and operate wind turbine farms for the purpose of hydrogen generation, storage, sale, and distribution in the USA.

The Company also signed heads of terms with HFI Energy for a Manufacturing Licence which sets out the terms under which they are authorised to manufacture the Company's products for distribution and installation within the USA. That agreement is conditional upon executing a shareholder agreement between the Company and HFI Energy and the issue of 20% of the equity in HFI Energy to the Company.

Under the terms of the agreement royalties of up to 5% are payable upon delivery and installation of the relevant Licensed Products.

Issue of Equity

In April 2025, the Company issued 2,906,250 new ordinary shares at a price of 1.6 pence per share to creditors in lieu of cash for consultancy and service provider fees. The shares are subject to a six-month lock-in agreement.

Suspension

On 3 February 2025 the Group was suspended from trading on AQSE for late lodgement of accounts.



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