

ASHINGTON INNOVATION PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021

ASHINGTON INNOVATION PLC

COMPANY INFORMATION

Directors	C L Disspain (appointed 21 July 2020) P E Presland (appointed 21 July 2020) J Smart (appointed 18 March 2021) J K Drummond (appointed 18 March 2021)
Company secretary	MSP Corporate Services Limited
Registered number	12758732
Registered office	27/28 Eastcastle Street London W1W 8DH
Independent auditors	Venthams Chartered Accountants & Statutory Auditor Millhouse 32 - 38 East Street Rochford Essex SS4 1DB

ASHINGTON INNOVATION PLC

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Analysis of net debt	13
Notes to the financial statements	14 - 17

ASHINGTON INNOVATION PLC

STRATEGIC REPORT
FOR THE PERIOD ENDED 31 JULY 2021

Introduction

The Directors present their report and financial statements for the period ended 31 July 2021.

Business review

Ashington Innovation PLC is a Special Purpose Acquisition Company (SPAC). It is presently in the process of listing its shares on the Main Market of London Stock Exchange -Standard Segment.

The Company's objective is to generate an attractive rate of return for Shareholders, predominantly through capital appreciation, by taking advantage of opportunities to invest in the technology sector (in particular, the fintech and deep tech sectors) and operating the companies or businesses that it acquires. The Directors are responsible for carrying out this objective, implementing the Company's business strategy and conducting its overall supervision.

The Company may seek to simultaneously acquire one or two businesses that have complementary people and technology in order to create one larger company. As at the date of this Annual Report, the Company has not identified any specific acquisition target and does not expect to engage in negotiations with any target until after the listing. The Company's intention is to acquire a controlling interest in target business(es) or company(ies).

Whilst the Company intends to initially review a broad range of acquisition opportunities, once the Company carries out an acquisition in a specific sector, it intends to focus its activities on that sector and to build its strategy in that sector. The Directors do not intend the enlarged group to become a holding company for projects in multiple sectors or to become an investment fund. The Company will not therefore, be pursuing a strategy or policy of diversification and spreading risk in its acquisitions.

The Directors' intention is to create a trading business, rather than an investment entity. The Directors consider the potential vendors of target companies or businesses will be attracted by the opportunity to hold an interest in a London listed company with cash, access to capital markets and the know-how to develop the business.

Principal risks and uncertainties

Transaction risk

Although the Company has no history of trading and no current trading activities, its placing shares will be issued at a premium to the net asset value of the Ordinary Shares. In addition the Company has limited cash resources which will diminish over time owing to the Company's operating costs.

The Company is dependent on the Directors to identify suitable acquisition opportunities

The Company is dependent on the Directors to identify suitable acquisition opportunities. Whilst the Directors have considerable relevant experience of acquiring companies, businesses and assets in the nature of those that the Company will seek to acquire, there is a risk that the Directors may not be able to source suitable targets or execute an acquisition, and that any targets identified may not fully align with the Company's objectives and business plans.

Economic uncertainties

The global financial markets are experiencing continued volatility and geopolitical issues and tensions continue to arise. Many countries have continued to experience recession or negligible growth rates, which have had, and may continue to have, an adverse effect on consumer and business confidence. The resulting low consumer and business confidence has led to low levels of demand for many products across a wide variety of industries. The Company cannot predict the severity or extent of these recessions and/or periods of slow growth. Accordingly, the Company's estimate of the results of operations, financial condition and prospects of an acquisition target will be uncertain and may be adversely impacted by unfavourable general global, regional and national macroeconomic conditions.

ASHINGTON INNOVATION PLC

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021**

Financial key performance indicators

Based on this being the first year of operating and the Company being a SPAC, the Directors consider there to be no current financial key performance indicators. These will be reassessed when the Company obtains its listing status, and an acquisition is completed.

Other key performance indicators

As above, the Directors do not consider there to be any other key performance indicators at present. The sole focus is on obtaining the listing status.

Directors' statement of compliance with duty to promote the success of the Company

During the period, the Directors have acted to promote the success of the Company for the benefits of its members.

While discharging their duties, section 172 (1) requires the Directors to have regard to, amongst other matters, the;

- Likely long-term consequences
- Business relationships with suppliers
- Impact on the community and environment
- Reputation for high standard of business conduct
- Need to act fairly between members of the company

The Directors are responsible for the Company's objectives and business strategy and its overall supervision. Acquisition, divestment, and other strategic decisions will all be considered and determined by the Directors.

The Directors have and will continue to provide leadership within a framework of appropriate and effective controls. The Directors operate and monitor the corporate governance values of the Company and have overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company, and reviewing the performance of the officers and management of the Company's business both prior to and following an acquisition.

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

.....
P E Presland
Director

Date:

ASHINGTON INNOVATION PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JULY 2021

The Directors present their report and the financial statements for the period ended 31 July 2021.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the period, after taxation, amounted to £209,707.

Directors

The Directors who served during the period were:

C L Disspain (appointed 21 July 2020)
P E Presland (appointed 21 July 2020)
J Smart (appointed 18 March 2021)
J K Drummond (appointed 18 March 2021)

Future developments

As referred to in the Strategic report the Company is in the process of listing its shares on the Main Market of the London Stock Exchange.

ASHINGTON INNOVATION PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021**

Disclosure of information to auditors

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

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

Post balance sheet events

Between the balance sheet date and the date of approval of these financial statements the Company has raised an additional £325,000 through the issue of 10,833,333 new Ordinary Shares.

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

.....
P E Presland
Director

Date:

ASHINGTON INNOVATION PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC

Opinion

We have audited the financial statements of Ashington Innovation Plc (the 'Company') for the period ended 31 July 2021, which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

ASHINGTON INNOVATION PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

ASHINGTON INNOVATION PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

ASHINGTON INNOVATION PLC

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC
(CONTINUED)**

Use of our report

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

Trevor McCarthy (Senior statutory auditor)

for and on behalf of

Venthams

Chartered Accountants
Statutory Auditor

Millhouse
32 - 38 East Street
Rochford
Essex
SS4 1DB

Date:

ASHINGTON INNOVATION PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JULY 2021

	2021 £
Administrative expenses	(209,707)
Operating (loss)/profit	<u>(209,707)</u>
(Loss)/profit for the financial period	<u>(209,707)</u>
Other comprehensive income for the period	
Total comprehensive income for the period	<u><u>(209,707)</u></u>

ASHINGTON INNOVATION PLC
REGISTERED NUMBER:12758732

BALANCE SHEET
AS AT 31 JULY 2021

	Note	2021 £
Current assets		
Debtors: amounts falling due within one year	6	200
Cash at bank and in hand	7	71,200
		<u>71,400</u>
Creditors: amounts falling due within one year	8	<u>(68,607)</u>
Net current assets		2,793
Total assets less current liabilities		2,793
Net assets		2,793
Capital and reserves		
Called up share capital	9	212,500
Profit and loss account	10	(209,707)
		<u>2,793</u>

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

.....
P E Presland
Director

Date:

ASHINGTON INNOVATION PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive income for the period			
Loss for the period	-	(209,707)	(209,707)
Shares issued during the period	212,500	-	212,500
At 31 July 2021	212,500	(209,707)	2,793

ASHINGTON INNOVATION PLC

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2021

	2021 £
Cash flows from operating activities	
(Loss)/profit for the financial period	(209,707)
Adjustments for:	
(Increase)/decrease in debtors	(200)
Increase in creditors	68,607
	<hr/>
Net cash generated from operating activities	(141,300)
	<hr/>
Cash flows from financing activities	
Issue of ordinary shares	212,500
	<hr/>
Net cash used in financing activities	212,500
	<hr/>
Net increase in cash and cash equivalents	71,200
	<hr/>
Cash and cash equivalents at the end of period	71,200
	<hr/> <hr/>
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	71,200
	<hr/>
	71,200
	<hr/> <hr/>

ASHINGTON INNOVATION PLC

ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 31 JULY 2021

	Cash flows £	Other non- cash changes £	At 31 July 2021 £
Cash at bank and in hand	71,200	-	71,200
Debt due within 1 year	-	(9,437)	(9,437)
	<u>71,200</u>	<u>(9,437)</u>	<u>61,763</u>

ASHINGTON INNOVATION PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2021

1. General information

Ashington Innovation PLC is a public Company limited by shares, incorporated in England & Wales. Its registered office is 27/28 Eastcastle Street, London, W1W 8DH.

The Company was incorporated on 21 July 2020 and as a result the financial statements are for a period longer than 12 months.

The principal activity of the company is that of a Special Purpose Acquisition Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

2.3 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ASHINGTON INNOVATION PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2021

2. Accounting policies (continued)

2.4 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.6 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Directors consider that there have been no significant judgements or estimations made during the course of preparing these financial statements.

ASHINGTON INNOVATION PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021

4. Auditors' remuneration

	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	4,000
	<hr/> <hr/>
Fees payable to the Company's auditor and its associates in respect of:	
All other services	3,300
	<hr/> 3,300 <hr/> <hr/>

5. Employees

There have been no staff costs in the period.

The average monthly number of employees, including the Directors, during the period was as follows:

	2021 No.
Directors	4
	<hr/> <hr/>

6. Debtors

	2021 £
Other debtors	200
	<hr/> 200 <hr/> <hr/>

7. Cash and cash equivalents

	2021 £
Cash at bank and in hand	71,200
	<hr/> 71,200 <hr/> <hr/>

ASHINGTON INNOVATION PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021

8. Creditors: Amounts falling due within one year

	2021 £
Trade creditors	1,920
Other creditors	9,437
Accruals and deferred income	57,250
	<hr/>
	68,607
	<hr/> <hr/>

9. Share capital

	2021 £
Allotted, called up and fully paid	
21,250,001 Ordinary shares of £0.01 each	212,500
	<hr/> <hr/>

The Ordinary shares have attached to them full voting, dividend and capital distribution rights; they do not confer any rights of redemption.

10. Reserves

Profit and loss account

All reserves in respect of profit and loss are distributable reserves.

11. Related party transactions

During the period two of the Director's charged the company £4,500 each in respect of consultancy services provided to the company during it's initial set up phase. As at the balance sheet date this amount was outstanding to the Directors'. This transaction was conducted on an arms length basis.

12. Controlling party

The Company's ultimate controlling party is J Smart by virtue of his majority shareholding.