RIDGECREST PLC

ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS

OVERVIEW

CHAIRMAN’S STATEMENT

Background

Ridgecrest Plc (“Ridgecrest” or the “Company”) was formerly called Nakama Group plc and was a recruitment business. During 2020 the Company’s businesses suffered from financial instability in light of the COVID 19 outbreak and a difficult trading environment. Various recapitalisation strategies were pursued by the Board at the time, but none of them came to fruition. This resulted in the Company selling all of its recruitment business and assets to Sanderson Group Plc on 5 January 2021 and becoming an AIM Rule 15 cash shell. The Company raised £2 million of new funds in mid-January 2021 since when it has been seeking and negotiating a suitable reverse takeover for the shell.

In July 2021 trading in the Company’s shares on AIM was suspended as neither a Reverse Takeover nor readmission to trading on AIM as an investing company under the AIM Rules had been completed within six months of the disposal of its operating business. As the Company had not completed a reverse transaction within six months of the date of suspension the Company's shares were cancelled from trading on AIM in January 2022.

Since becoming an AIM Rule 15 cash shell the Board has pursued a number of reverse takeover opportunities but none of these has, to date, come to fruition.

Financial results for the year

During the year ended 31 March 2022 the Company generated no revenue and incurred administrative costs of £486,000. This led to a recognised loss for the year of £486,000 (year ended 31 March 2021: loss of £69,000). The Company’s cash reduced by £709,000 during the year and stood at £1,292,000 at 31 March 2022 (31 March 2021: £2,001,000). The Company’s net assets at 31 March 2022 were £1,585,000 (31 March 2021: £1,974,000).

Investment in Fast2Fibre Limited (“Fast2Fibre”)

On 24 March 2022, the company made a £300,000 investment in Sparkledun Limited ("Sparkledun"), the parent company of Fast2Fibre, in the form of an unsecured convertible loan note (“Initial CLN”), where principal and 12% interest will be repaid on 24 March 2023 (anniversary date). Ridgecrest also conditionally agreed to subscribe for a further £200,000 convertible loan note in Sparkledun on the same terms (“Further CLN”).

In advance of Sparkledun completing its separate proposed equity fundraising, on 8 September 2022 Ridgecrest announced that it had made an additional investment of £250,000 in Sparkledun in the form of a new convertible loan note (the “September 2022 CLN”). The September 2022 CLN, that supersedes and replaces the Further CLN which has been terminated, is unsecured, carries an interest rate of 10% per annum (payable on redemption) and, unless otherwise agreed between the parties, is to be repaid by 31 December 2022. Ridgecrest may elect to convert the principal amount of the September 2022 CLN and all accrued interest into a minority interest in the ordinary shares of Sparkledun at a price (subject to a downwards adjustment in certain customary circumstances) of £32.05 per share.

While Ridgecrest also remains entitled to subscribe for a further 5,046 ordinary shares in Sparkledun at £59.45 per share in respect of those warrants that were granted to it in respect of the Initial CLN, its further entitlement to be granted warrants to subscribe for an additional 3,364 ordinary shares in Sparkledun at the same price following completion of its subscription under the Further CLN has also now lapsed.

In order to represent the interests of Ridgecrest, Robert Thesiger, Chairman of Ridgecrest, was appointed as a director of Sparkledun on 1 July 2022.

After subscribing for the Initial CLN and the September 2022 CLN, Ridgecrest's current cash balances are approximately £940,000.

About Fast2Fibre

Fast2Fibre is a UK technology company with an innovative, patented solution for upgrading cabling. Fast2Fibre's patented copper replacement solution allows the inner core of buried or ducted copper telecommunications, coaxial or electrical distribution cables to be extracted and replaced with fibre, without the need for excavation. Fast2Fibre's initial target market is telecoms companies, both domestic and overseas, installing fibre from exchanges to homes and businesses. The market is being fuelled by customer demand and by a requirement from governments around the world for fibre-enabled networks. Fast2Fibre's secondary growth opportunity is in the power sector, where companies are seeking to recover and sell significant volumes of copper, with substantial financial value.

Fast2Fibre is now focused on the commercial delivery of its technology. Over the last couple of years this has been hampered by the global pandemic and, in particular, its impact on global supply chains. However, in recent months Fast2Fibre has seen a positive change in its prospective customers' willingness to engage and progress commercial terms with Fast2Fibre. The board of Ridgecrest believes that the opportunities Fast2Fibre is currently working on are significant, and therefore as expected, the customer evaluation and assessment process is very structured, controlled, and detailed.

Following demonstration of its technology and process to CEPCO in Saudi Arabia, Fast2Fibre has agreed key commercial terms for a deployment in Saudi Arabia in 2023 and expects to sign a binding contract later this year. CEPCO is a large multi-disciplined engineering group, headquartered in Jeddah, which operates throughout the Middle East and represents an excellent engineering and strategic partner for Fast2Fibre. Specifically, CEPCO is a key supplier to the Saudi Electric Company, which has engaged CEPCO to recover copper from obsolete electricity cables. CEPCO has concluded that the Fast2Fibre processes represent the only cost-effective solution available.

Vodafone in Germany is also seeking a nationwide solution for the upgrade of its network and Fast2Fibre is currently undertaking demonstrations of its process. Should these demonstrations be successful, Fast2Fibre expects to earn material revenues in 2023 and beyond.

Fast2Fibre's client engagement is strong, its costs have been well controlled, and its research and development activities have placed it in a strong position to exploit its defined customer opportunities and to scale the business to meet prospective customer demand.

Proposed reverse takeover of Fast2Fibre by Ridgecrest

Ridgecrest and Sparkledun continue to be focused on a public listing for Fast2Fibre and currently intend that it or Sparkledun will undertake a reverse takeover transaction ("RTO") with Ridgecrest. Ridgecrest's current intention is that it would invest its residual cash resources in the RTO process and, to the extent it has remaining cash, in the Fast2Fibre business as part of the RTO. Work on the RTO transaction is yet to commence and shareholders should be aware that the timing of any RTO will, among other things, be dependent upon market conditions. Given these are so unfavourable at present, it is expected that any RTO will not occur until later in 2023.

Robert Thesiger
Chairman
21 December 2022

DIRECTORS

Rob Thesiger
Non-Executive Chairman

Robert has worked in the human capital sector for over 25 years and was most recently founder and Chief Executive Officer of The FISER Group Limited. Prior to this he was Chief Executive Officer of both Imprint PLC and Morgan McKinley Limited. Robert is a graduate of Exeter University and Cranfield Business School.

Philip Holt
Non-Executive Director

Philip qualified as a chartered accountant with Deloitte Haskins and Sells ("DH&S") in Manchester in 1986. Having spent 10 years at DH&S and 18 months working for DH&S in Atlanta, USA, Philip left DH&S to work in industry. Philip has 24 years' experience in industry, initially working for large corporates such as ICL, and Micro Warehouse, a NASDAQ quoted company, but more recently in SME and start-up businesses which were both publicly and privately owned often with private equity backing. Philip has held the position of Finance Director for several companies operating in the IT, direct mail, distribution, recruitment, and ship management sectors and has experience of financial management and growing companies in the UK, Europe and the US. He has extensive mergers and acquisitions experience in the UK, Europe and the US dealing with both the financial aspects of acquisitions and the post-merger integration of finance and operational functions.

In the last few years Philip has acted as a part time FD/consultant for a number of small and growing businesses providing help and guidance to the owners of those businesses. He has held the position of non-board interim Chief Financial Officer of Ridgecrest since January 2021.

James Normand
Non-Executive Director

James qualified as a Chartered Accountant in 1978, having trained with Spicer and Pegler (now part of Deloitte). Following a secondment to 3i plc, James specialised for the next 15 years in the provision of advice to management buy-out and buy-in teams and on private company acquisitions, disposals and capital raisings. Since 2002 James has fulfilled management and finance officer roles for a number of different commercial and charitable organisations, mostly on a part-time basis. From 2009 to 2016, he was the full-time finance director of Pathfinder Minerals Plc, an AIM-listed mining exploration company.

He is currently non-executive chairman of All Active Asset Capital Limited (until recently listed on AIM) and an executive director of Vela Technologies plc (listed on AIM), both of which are investing companies.

DIRECTORS AND ADVISORS

Country of incorporation: England and Wales

Company number: 01700310

Principal place of business: United Kingdom

Principal activities: Investment company

Directors: Robert Thesiger (Executive Chairman)
Philip Holt (non-executive)
James Normand (non-executive)

Secretary: Philip Holt

Registered office New Kings Court
Tollgate
Chandlers Ford
Southampton
S053 3LG

Auditors: Hazlewoods LLP
Staverton Court
Staverton
Cheltenham
GL51 0UX

Financial adviser: Allenby Capital Ltd
5 St Helens Place
London
EC3A 6AB

Registrars: Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Solicitors: Blake Morgan LLP
New Kings Court
Tollgate
Chandlers Ford
Southampton
S053 3LG

Bankers: HSBC Bank plc
28 Borough High Street
London
SE1 1YB

STRATEGIC REVIEW

STRATEGIC REPORT

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2022.

Business model

Since Ridgecrest's re-classification as an AIM Rule 15 cash shell in January 2021 and delisting from AIM in January 2022, the key objective of the Board has been to find a suitable reverse takeover candidate. The Board has undertaken extensive reviews of reverse takeover candidates and will always seek only to pursue transactions which it thinks have a reasonable chance of success, notwithstanding external market conditions and other factors which are beyond its control.

Going concern

The board raised £2 million in extra funding for Ridgecrest plc in mid-January 2021. The Company retains sufficient of these funds to give the Board confidence that the Company has sufficient working capital to pursue and complete a reverse takeover within 12 months of the date of this report.

Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation or existence for the foreseeable future and so continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 1 of the financial statements. The Company's employees carry out their duties remotely, via the network infrastructure in place.

Key risks of the Group

Refer to discussion of key risks of the Company in Corporate Governance section.

GOVERNANCE

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements for the year ended 31 March 2022.

Review of the business

As announced on 5 January 2021, the Company completed the disposal of its operating businesses to Sanderson Group and at the year-end the Company is no longer listed in AIM. The results for the year therefore incorporate the results and the financial position of the Company only at the year-end as shown in the attached financial statements and a detailed review is set out in the Strategic Report.

Results and dividends

The Company made an operating loss for the year of £486,000 (2021: £69,000) and a loss before taxation of £486,000 (2021: loss of £69,000) on revenue of nil (2021: £240,000).

The Directors do not recommend a final dividend (2021: nil). No interim dividend was paid during the year (2021: nil).

Directors

The Directors of the Company during the year were:

Robert Thesiger - Executive Chairman
Philip Holt - Non-Executive Director
James Normand - Non-Executive

Currently, there are three members of the Board and the Company has no plans to increase the number of directors in the near term.

Indemnity insurance for Company Officers

The Company has maintained insurance cover (including and up to the date of this report) for the Directors against liability arising from negligence, default, breach of duty and breach of trust in relation to the Company.

Substantial shareholders

As at 31 March 2022 and the last date during the financial year the Company traded, the following substantial shareholdings had been notified to the Company:

	% of issued share capital
Ashok Patel	8.4
D & G Hart	7.4
Edward Peter John Spencer*	5.0
Ken Ford	4.2
Paul McKillen	4.0
John Mahtani	3.3
Sarah Louise Spencer*	3.0
Edward Andrews	3.0
*Mr and Mrs Spencer have an aggregated holding of 8%	

Share option schemes

Information regarding the Company's share option schemes is given in note 11 to the financial statements.

Financial instruments
Details of the Company's financial instruments and risk are given in note 10 to the financial statements.

Likely future developments in the business
Information on likely future developments in the business of the Company has been included in the Strategic Report.

Environment, human rights, employee, social and community issues

The Company is required by law to provide details of environmental matters (including the impact of the Company on the environment), employee, human rights, social and community issues (including information about any policies it has in relation to these matters and the effectiveness of those policies). At the yearend the Company has no employees and the Board is composed of independent non-executive Directors. As a result, the Directors feel no additional disclosures are required since the Company has a minimal impact on the environment. The Company aims to minimise any detrimental effect that its actions may have by adhering to applicable social legislation, and, as a result, does not maintain specific policies in relation to these matters. The Company has no internal operations and therefore no greenhouse gas emissions to report nor does it have responsibility for any other emissions producing sources. In carrying out its investment activities and in relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

Auditors

All of the Directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the Company's auditor is unaware.

A resolution to reappoint Hazlewoods LLP as auditors will be proposed at the Annual General Meeting.

Approval

This report was approved by the Board of Directors on 21 December 2022.

By order of the Board

Robert Thesiger, Chairman

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities

The Directors are responsible for preparing the annual report, 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 International Financial Reporting Standards (IFRSs).

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.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs and in conformity with the Companies Act 2006, 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 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.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

SECTION 172 STATEMENT

The Directors of the Company are required to promote the success of the Company for the benefit of the Members / Shareholders as a whole. Section 172(1) of the Companies Act 2006) expands this duty and requires the Directors to consider a broader range of interested parties when considering the promotion of the Company. This wider company of stakeholders included employees, customers, regulators and others, and the Board will look to understand and take into account the needs of each stakeholder, although recognising that different stakeholders may have conflicting priorities and not all decisions made will be to the benefit of all stakeholders. When making decisions the Board should consider the following:

- the likely consequences of any decisions in the long term;
- the interests of the Company's employees (if applicable);
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

At every Board meeting the Directors review the performance of the Company against its strategy. The financial performance is reviewed and measured against the Key Performance Indicators as set by the Board. The compliance with existing legal and regulatory requirements are reviewed, together with any new regulations that are to be introduced or are being proposed. Any new regulations are discussed and their potential impact on the Company and its stakeholders assessed. The Board recognises the importance of, and is committed to, understanding the views of Shareholders and maintaining communication with its Shareholders in the most appropriate manner.

Strategy and Key Performance Indicators

The Company's principal activity is set out in the Strategic Report.

The Directors have identified the following key stakeholders according to Section 172 Companies Act 2006:

Regulators

The Company operates in an environment that is governed by legal and regulatory requirements, which prescribe what the Company can undertake and how it can operate. The Board recognises that these restrictions are there to protect stakeholders. The Board's view is to adopt the sentiment and ethos of the rules and regulations.

Environment and Community

Due to the nature of the Company's activities it has little direct impact on the community or the environment. The Company seeks to reduce its impact on the environment by recycling whenever possible.

The Directors believe that they have effectively implemented their duties under section 172 of the Companies Act 2006. The Company has considered the long-term strategy of the business and consider that this strategy will continue to deliver long term success to the business and its stakeholders.

CORPORATE GOVERNANCE

As Chairman of the Board of Ridgecrest Plc, it is my responsibility to ensure that Ridgecrest has both sound corporate governance and an effective Board.

Ridgecrest's Board has adopted the principles of the Quoted corporate governance code. The QCA Code identifies ten principles to be followed in order for companies to deliver growth in long term shareholder value, encompassing an efficient, effective and dynamic management framework accompanied by communication to promote confidence and trust. This report follows the structure of these guidelines and explains how the Board has applied the guidance, as well as disclosing any areas of non-compliance. The Board will provide annual updates on the Company's compliance with the QCA Code.

1. **Establish a strategy and business model which promotes long-term value for shareholders**

   The Board has concluded that the highest medium and long-term value can be delivered to its shareholders, by pursuing a reverse takeover pursuant to AIM Rule 14.

2. **Seek to understand and meet shareholder needs and expectations**

   The Board recognises the importance of communication with its stakeholders and is committed to establishing constructive relationships with investors and potential investors in order to assist it in developing an understanding of the views of its shareholders. Ridgecrest also maintains a dialogue with shareholders through formal meetings such as the AGM, which provides an opportunity to meet, listen and present to shareholders; and shareholders are encouraged to attend in order to express their views on the Company's business activities and performance.

3. **Take into account wider stakeholder and social responsibilities and their implications for long-term success**

   As part of any reverse takeover pursuant to AIM Rule 14 the Company will seek to identify its future stakeholders and applicable social responsibilities. The Board recognises that successful engagement with stakeholders and meeting social responsibilities is

   integral to the long-term success of an organisation.

4. **Embed effective risk management, considering both opportunities and threats, throughout the organisation**

   The Board recognises the need for an effective and well-defined risk management process and it oversees and regularly reviews the current risk management and internal control mechanisms.

The Board regularly reviews the risks facing the Company and seeks to exploit, avoid or mitigate those risks as appropriate.

The risk assessment matrix below sets out and categorises key risks and outlines the mitigating actions which are in place. This matrix is updated as changes arise in the nature of risks or the mitigating actions implemented, and the Board reviews these on a regular basis.

Ridgecrest has identified the principal risks to the Company achieving its objectives as follows:

PRINCIPAL RISKS AND UNCERTAINTIES

Risk	Potential impact	Mitigation
The Company is an unlisted Plc Cash Shell and as such does not have a revenue stream.	If the reverse takeover of F2F does not take place the principal risk is that the company will have reduced funds to find an alternative reverse takeover.	The Board maintains close oversight of funds spent and seeks to keep costs to the minimum level possible for a publicly quoted company.
The Company is actively pursuing a reverse takeover of Fast2Fibre as described below.		The company has a seat on the board of F2F and regularly meets to advance its objective as an unlisted Plc cash shell.

Ridgecrest and Sparkledun continue to be focused on a public listing for Fast2Fibre and intend that it or Sparkledun will undertake a reverse takeover transaction ("RTO") with Ridgecrest. Ridgecrest's current intention is that it would invest its residual cash resources in the RTO process and, to the extent it has remaining cash, in the Fast2Fibre business as part of the RTO. Work on the RTO transaction will commence as soon as additional equity capital adequate for the future plans of Fast2Fibre has been secured, but shareholders should be aware that the timing of any RTO will, among other things, be dependent upon market conditions. Given these are so unfavourable at present, it is expected that any RTO will not occur until later in 2023.

5. **Maintain the Board as a well-functioning, balanced team led by the Chair**

   The Board comprises the Executive Chairman, Robert Thesiger and independent Non-Executive Directors James Normand and Phillip Holt.

   The Board meets regularly and meetings are open and constructive, with every Director participating fully. The Board aims to meet at least 6 times in the year.

   The Company does not currently have designated Audit and Remuneration Committees due to the size and nature of the Company and its Board as currently constituted and the Company's status is is unlisted Plc cash shell. Audit and Remuneration Committees will be established as part of a reverse takeover transaction.

6. **Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities**
   The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of personal, commercial and professional skills, and notes the range of financial and managerial skills.

   The Directors have access to the Company's lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary. If required, the Directors are entitled to take independent legal advice and if the Board is informed in advance, the cost of the advice will be reimbursed by the Company.

7. **Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

   The Company has not undertaken a board performance evaluation during the year due to the pressing corporate matters which have been underway. The Company will look to initiate such evaluations following completion of a reverse takeover transaction pursuant to AIM Rule 14.

8. **Promote a corporate culture that is based on ethical values and behaviours**

   The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders, and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

9. **Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

   The Board is committed to, and ultimately responsible for, high standards of corporate governance. The Board reviews the Company's corporate governance arrangements regularly and expects these arrangements to evolve as part of a reverse takeover transaction.

   The Chairman's principal responsibilities are to ensure that the Company and its Board are acting in the best interests of shareholders. His leadership of the Board is undertaken in a manner which ensures that the Board retains integrity and effectiveness and includes creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings. The Chairman is the key contact for shareholder liaison and all other stakeholders.

10. **Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

    The Board is committed to maintaining effective communication constructive dialogue with its shareholders. Contact details for the Company are provided on the Company's regulatory announcements and on its website. The Company's website includes investor relations information. The Company includes details of shareholder voting outcomes from AGMs and GMs in regulatory announcements which are available on its website. If a resolution receives 20% or more votes against the Company will seek to understand the views of those shareholders voting against and take their views into account when proposing resolutions in future.

Robert Thesiger
Chairman
21 December 2022

DIRECTORS' REMUNERATION REPORT

This report sets out the remuneration policies for the Company's executive directors. It should be read in conjunction with details of directors' remuneration in note 3 which forms part of the audited financial statements. The Company does not currently have a designated Remuneration Committee as discussed in the Corporate Governance due to the size and nature of the Company.

Service contract of the executive director

Robert Thesiger has a service agreement terminable by the Company or him of not less than three months' notice.

Non-executive directors

Non-executive directors receive an annual fee in respect of their duties. The fees are reviewed annually and are set by the Board. Their contracts are terminable on both sides with three months' notice.

By order of the Board

Robert Thesiger
Chairman
21 December 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RIDGECREST PLC

Opinion

We have audited the financial statements of Ridgecrest Plc (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2022 and of the company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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 opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RIDGECREST PLC

Key Audit Matter	How We Addressed the Key Audit Matter in the Audit
Management override of controls Under ISA 240 there is a presumption that the risk of management override of controls is always present.	Our audit work included, but was not restricted to: - Reviewing material estimates, judgements and decisions made by management; and - Performing journal testing on all material manual journals.

Our application of materiality

When establishing overall audit strategy, we set certain thresholds which help us determine the nature, timing and extent of our audit procedures and evaluate the effects of misstatements, both individually and on the financial statements as a whole. During planning we determined a magnitude of uncorrected misstatements that we judge would be material for the financial statements as a whole (FSM). During planning FSM was calculated as £44,000, which was not changed during the course of our audit. We agreed with the Audit Committee that we would report them all unadjusted differences in excess of £3,000, as well as differences below those thresholds that, in our view, warranted reporting on qualitative grounds.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RIDGECREST PLC

Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 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, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RIDGECREST PLC

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:

In identifying and assessing risks of material misstatement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the operations of the company. We determined that the most significant laws and regulations included the application of International Financial Reporting Standards (IFRSs), Companies Act 2006 and taxation laws.

We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, and those responsible for legal and compliance procedures, and;

We assessed the susceptibility of the company's financial statements to material misstatement including how fraud might occur. Audit procedures performed by the engagement team included:

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- identifying and testing journal entries, in particular any journal entries with unusual characteristics.

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

Other matters we are required to address

We were appointed by the management to audit the financial statements for the period ended 31 March 2019 and subsequent financial periods. Our total uninterrupted period of engagement is 4 years, covering the periods ended 31 March 2019 to 31 March 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

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.

Scott Lawrence, FCA DChA (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

21 December 2022

FINANCIALS

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £'000	2021 £'000
Revenue	-	240
Cost of sales	-	(18)
Net fee income	-	222
Administrative costs	(486)	(291)
Loss before tax	(486)	(69)
Tax expense	-	-
Loss for the year	(486)	(69)

The notes on pages 22 to 32 form part of these financial statements.

FINANCIALS

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

Company number 1700310

	Note	2022 £'000	2021 £'000
Current assets			
Debtors: amount due within one year	5	**39**	47
Investments	6	**300**	-
Cash at bank and in hand		**1,292**	2,001
		1,631	2,048
Creditors: amount falling due within one year	7	**(46)**	(74)
Net current assets		**1,585**	1,974
Total assets less current liabilities being net assets		**1,585**	1,974
Capital and reserves			
Called up share capital	12	**1,936**	1,936
Share premium account		**4,097**	4,097
Employee share benefit trust reserve	12	**-**	(61)
Profit and loss account		**(4,448)**	(3,998)
Shareholders' funds		**1,585**	1,974

The financial statements were approved and authorised for issue by the Board of Directors on 21 December 2022.

Robert Thesiger
Chairman

The notes on pages 22 to 32 form part of these financial statements.

FINANCIALS

STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2022

	Share capital £'000	Share premium £'000	Employee share benefit reserve £'000	Retained earnings £ '000	Total equity £'000
At 1 April 2020	1,602	2,580	(61)	**(3,967)**	**154**
Contributions by owners					
Issue of shares	334	1,517	-	-	1,851
Amortisation of share option	-	-	-	38	38
	334	1,517	-	38	1,889
Loss and total comprehensive income for the year	-	-	-	(69)	(69)
At 1 April 2021	1,936	4,097	(61)	**(3,998)**	**1,974**
Contributions by owners					
Amortisation of share option	-	-	-	36	36
Write-off employee share benefit reserve	-	-	61	-	61
Loss and total comprehensive income for the year	-	-	-	(486)	(486)
At 31 March 2022	**1,936**	**4,097**	**-**	**(4,448)**	**1,585**

The notes on pages 22 to 32 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £'000	2021 £'000
Operating activities		
Loss for the year before tax	(486)	(69)
Gain on sale of subsidiaries	-	(208)
Amortisation of share options	36	38
Write-off employee share benefit reserve	61	-
Decrease (increase) in trade and other receivables	8	(9)
(Decrease) increase in trade and other payables	(28)	1
Net cash used in operating activities	(409)	(247)
Investing activities		
Increase in investments	(300)	-
Sale and liquidation of subsidiaries	-	390
Net cash (used in) inflow from investing activities	(300)	390
Financing activities		
Issue of shares	-	1,851
Net cash inflow from financing activities	-	1,851
Net changes in cash at bank and in hand	(709)	1,994
Cash at bank and in hand, beginning of year	2,001	7
Cash at bank and in hand at end of year	**1,292**	**2,001**

The notes on pages 22 to 32 form part of these financial statements.

FINANCIALS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) UK adopted, and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below.

The accounting policies that have been applied in the opening statement of financial position have also been applied throughout all periods presented in these financial statements.

The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed below.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

As at 31 March 2021 the Company was an AIM Rule 15 cash shell and as such was seeking a suitable target business to perform a reverse takeover (RTO) under the AIM Rule. Having failed to achieve this within 6 months, the company's ordinary shares were suspended from trading on AIM on 6 July 2021. On 7 January 2022, the company was delisted from AIM and is unlisted Plc cash shell.

On 24 March 2022, the Company invested £300,000 in Sparkledun Limited ("Sparkledun"), the parent company of Fast2Fibre, in the form of unsecured convertible loan note ("Initial CLN"), where principal and 12% interest will be repaid on 24 March 2023 (anniversary date). The Company may elect to convert the principal amount and interest accrued to 5,046 ordinary shares in Sparkledun at £59.45. On 8 September 2022, the Company announced that it had made an additional investment of £250,000 in Sparkledun in the form of a new convertible loan note (the "September 2022 CLN"). The September 2022 CLN is unsecured, carries an interest rate of 10% per annum (payable on redemption) and, unless otherwise agreed between the parties, is to be repaid by 31 December 2022. The Company may elect to convert the principal amount of the September 2022 CLN and all accrued interest into a minority interest in the ordinary shares of Sparkledun at a price (subject to a downwards adjustment in certain customary circumstances) of £32.05 per share.

As discussed in note 10, there is a risk that the Company may not be able to recover the money invested in the £300,000 Initial CLN and the £250,000 September 2022 CLN.

The Company had cash and cash equivalents of £1,291,596, net current assets and net assets of £1,585,000 as at 31 March 2022. After subscribing for the Initial CLN and the September 2022 CLN, the Company's current cash balance is approximately £940,000. The Board believes that, even if the amount invested in CLNs is not recovered, there is sufficient working capital to complete an RTO, continue in operation for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements.

Revenue

The Company had no revenue in the year ended 31 March 2022. The remainder of this note therefore applies only to the comparative figures in this report.

Under IFRS 15, revenue is recognised when a customer obtains control of goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised.

The Company performed an assessment to determine the impact of this standard on the statement of financial position and income statement. It considered the analysis prescribed by the standard, taking into account the different types of contracts it has with its customers (contract placements and permanent placements), the corresponding types of services provided to customers and when these service obligations are satisfied. In addition, the company considered the types of fee income generated across all products from the contracts with its customers and when the fee income is recognised.

NOTES TO THE FINANCIAL STATEMENTS, continued

FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies, continued

Revenue, continued
The assessment concluded that IFRS 15 requirements would not result in the company having to change the nature or timing of satisfaction of performance obligations and significant payment terms. Consequently, the cumulative impact of adoption was nil and as a result no adjustment has been recognised.

Revenue in respect of contract placements is recognised in the period in which the contractor undertakes the work. Revenue in respect of permanent placements is recognised in the period in which a candidate commences employment. Revenue is recognized at point in time.

A provision is made against any potential rebates that may become due on permanent placements, should the employee leave within a specified period of time. These provisions are reviewed annually. As there were no potential rebates at the end of the current year, no provision has been made.

Revenue is measured at the fair value of consideration received or receivable for services provided during the accounting period net of trade discounts and value added tax.

Current taxation
Current taxation represents corporation tax payable on the taxable profits for the year or prior periods and is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Foreign currencies
Transactions in foreign currencies are recorded at the rate of exchange at the time of the transaction. There were no monetary assets and liabilities denominated in foreign currencies at the statement of financial position date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss.

Critical accounting judgements and estimates
In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS, continued

FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies, continued

Critical accounting judgements and estimates, continued

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. At the year end, majority of its assets represented by cash held at bank and loan note.

Judgments

No significant judgments have been made by management in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Financial assets

All of the company's financial assets are categorised as loans and receivables.

The financial assets comprise trade receivables, cash and cash equivalents. Trade and other receivables are measured initially at fair value and subsequently at amortised cost.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the company becomes a party to the contractual provisions of the instrument. The company's financial liabilities comprise trade payables and other payables. All financial liabilities are measured initially at fair value and subsequently at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in the current liabilities on the statement of financial position.

Employee share benefit trust

The cost of the company's shares held by the employee share benefit trust is deducted from equity in the statement of financial position. Any gain or loss received by the employee share benefit trust on disposal of the shares it holds is also recognised directly in equity. Other assets and liabilities of the employee share benefit trust (including borrowings) are recognised as assets and liabilities of the company. Any shares held by the employee share benefit trust are treated as cancelled for the purposes of calculating earnings per share.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss over the remaining vesting period.

NOTES TO THE FINANCIAL STATEMENTS, continued

FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies, continued

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares.
- "Employee share benefit trust reserve" represents the cost of the company's shares held by the employee share benefit trust.
- "Retained earnings" represents retained profits less accumulated losses.

Accounting standards

The company financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

The following new standards, amendments to standards and interpretations have been applied for the first time from 1 April 2021. Their adoption has not had a material impact on the financial statements:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).
- Covid-19-Related Rent Concessions beyond 30 June 2021 - (Amendment to IFRS 16)

Future standards in place but not yet effective

No new standards, amendments or interpretations to existing standards that have been published and that are mandatory for the company's accounting periods beginning on or after 1 April 2022 have been adopted early.

The following standards and amendments are not yet endorsed in the UK at the date of authorisation of these financial statements:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)
- Annual Improvements 2018-2020 Cycle
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
- Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)'
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Definition of Accounting Estimates (Amendments to IAS 8)

The company does not believe that there would have been a material impact on the financial statements from early adoption of these standards / interpretations.

NOTES TO THE FINANCIAL STATEMENTS, continued

FOR THE YEAR ENDED 31 MARCH 2022

2. Employees' remuneration

(a) Staff costs

Staff costs, including executive directors, during the year were as follows:

	2022 £'000	2021 £'000
Wages and salaries	95	208
Social security	10	13
	105	221

(b) Staff numbers

The average number of persons employed during the year was as follows:

	2022 Number	2021 Number
Management	3	3

3. Directors' remuneration

(a) Directors' remuneration

	Fees/basic salary 2022 £'000	Other amounts/ benefits 2022 £'000	Total emoluments 2022 £'000	Employer's national insurance 2022 £'000	Total 2022 £'000	Total 2021 £'000
Executive						
Robert Thesiger	**35**	-	**35**	**4**	**39**	86
Non-executive						
Phillip Holt	**30**	-	**30**	**3**	**33**	8
James Normand	**30**	-	**30**	**3**	**33**	8
Michael Cleland (resigned 4 January 2021)	-	-	-	-	-	19
Aggregate emoluments	**95**	-	**95**	**10**	**105**	121

The highest paid director was Robert Thesiger (2021: Robert Thesiger).

All executive directors are employed under a service agreement which can be terminated at any time by either the director or the Company giving three months' prior notice.

(b) Directors' pension entitlements

During the year there were no directors in the company pension scheme (2021: £Nil).

(c) Directors' share options and interests

The Directors hold the following share options at 31 March 2022 and 2021.

Robert Thesiger
2,650,307 at 0.0165p
7,500,000 at 0.018p

NOTES TO THE FINANCIAL STATEMENTS, continued

FOR THE YEAR ENDED 31 MARCH 2022

3. Directors' remuneration, continued

Philip Holt
1,472,393 at 0.0165p
4,166,667 at 0.018p

James Normand
1,177,914 at 0.0165p
3,333,333 at 0.018p

4. Auditors' remuneration

Auditors' remuneration attributable to the company is as follows:

	2022	2021
	£'000	£'000
Audit fees – statutory audit	9	6

5. Debtors

	2022	2021
	£'000	£'000
Prepayments	4	7
Other debtors	35	40
	39	47

6. Investments

On 24 March 2022, the company issued an unsecured convertible loan note of £300,000 with 12% interest (see note 1) to be repaid one year after the issue date. As at 31 March 2022, the fair market value of the convertible loan note approximated to its carrying value.

7. Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Trade payables	30	-
Social security and other taxes	-	1
Accruals	16	73
	46	74

8. Commitments

The Company has no commitments as at 31 March 2022 (2021: £Nil).

NOTES TO THE FINANCIAL STATEMENTS, continued

FOR THE YEAR ENDED 31 MARCH 2022

9. Deferred tax

No deferred tax is recognised in respect to tax losses carry forward of £486,000 (£69,000 in 2021). It is not probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

10. Financial risk management objectives and policies

Financial instruments
The Company uses various financial instruments; these include cash and cash equivalents, and various items such as trade receivables, trade payables that arise directly from its operations and convertible loan note (CLN). The main purpose of these financial instruments is to raise finance for the company's operations.

The potential main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk
Cash deposits are non-interest bearing unless placed on money markets at overnight rates. The Company therefore has no exposure to changes in interest rates and no sensitivity analysis is required.

Liquidity risk
The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands including on a day-to-day and week-to-week basis, as well as on a monthly basis. As at 31 March 2022 all of the Company's financial liabilities are contractually due within six months of the statement of financial position date. The Company's liquidity needs are assessed periodically.

Capital management policies and procedures
The Company's capital management objectives are:
- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing its offerings commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position. Capital for the reporting years under review is summarised on the next page.

The Company sets the amount of capital in proportion to its overall financing structure and manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS, continued

FOR THE YEAR ENDED 31 MARCH 2022

10. Financial risk management objectives and policies, continued

Capital	2022 £'000	2021 £'000
Total equity	1,585	1,974
Overall financing		
Total equity	1,585	1,974
Plus net borrowings	-	-
	1,585	1,974
Capital-to-overall financing ratio	100%	100%

As at 31 March 2022 and 2021, there were no borrowings in place.

Credit risk
The Company's principal financial assets are cash deposits and trade receivables. Risks associated with cash deposits are low as they are held at banks with high credit ratings assigned by international credit rating agencies.

The principal credit risk lies with convertible loan note. There is a risk that Ridgecrest may not be able to recover the money invested in £300,000 Initial CLN (March 2022) and £250,000 September 2022 CLN (September 2022). If Sparkledun were to exhaust its cash resources, fail to raise additional rounds of equity financing, this may lead to administration, bankruptcy or striking off. .

Summary of financial assets and liabilities by category
The carrying amounts of the Company's financial assets and liabilities as recognised at the statement of financial position date of the years under review may also be categorised as follows:

Statement of financial position headings	Cash, loans and receivables £'000	Non-financial assets £'000	Financial liabilities at amortised cost £'000	Non-financial liabilities £'000	Total 2022 £'000
Other debtors	35	-	-	-	**35**
Investments	300	-	-	-	**300**
Cash at bank	1,292	-	-	-	**1,292**
Prepayments	-	4	-	-	**4**
Trade payables	-	-	(30)	-	**(30)**
Accruals	-	-	(16)	-	**(16)**
Total	1,6267	4	(46)	-	**1,585**

NOTES TO THE FINANCIAL STATEMENTS, continued

FOR THE YEAR ENDED 31 MARCH 2022

10. Financial risk management objectives and policies, continued

Statement of financial position headings	**Cash, loans and receivables £'000**	**Non-financial assets £'000**	**Financial liabilities at amortised cost £'000**	**Non-financial liabilities £'000**	**Total 2021 £'000**
Trade receivables	40	-	-	-	**40**
Cash at bank	2,001	-	-	-	**2,001**
Prepayments	-	7	-	-	**7**
Other taxes and social security costs	-	-	-	(1)	**(1)**
Accruals	-	-	(73)	-	**(73)**
Total	2,041	7	(73)	(1)	**1,974**

The fair values of the financial assets and liabilities at 31 March 2022 and 31 March 2021 are not materially different from their book values.

11. Employee share schemes

(a) Employee Share Benefit Trust
An Employee Share Benefit Trust was established in November 1995. Its Trustees have the power to grant options to eligible employees over shares in the company at the Trust's expense, and the company's discretion, upon such terms as they think fit and to purchase such shares to be acquired by the eligible employees.

The company did not make any contributions to the Trust during the year (2021: £nil). These shares were purchased at a cost of £61,000.

No shares have been transferred to employees or were under option as at 31 March 2022 and 2021. The Trust's only other asset at 31 March 2022 was cash at bank of £Nil (2021: £2,111) which is included in the company's statement of financial position as part of cash and cash equivalents. The Trust had no liabilities. The Trust holds zero shares in the Company, hence written off in 2022.

All options granted in prior years have lapsed and no options were granted in the year.

(b) Share based options
The establishment of the Share Option Plan was approved by shareholders in 2008. The share option is designed to provide long-term incentives for key management personnel (including directors) to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The amount of options that will vest depends on the company's total return to shareholders (TSR), including share price growth, dividends and capital returns, ranking within a peer group of 20 selected companies that are listed on the London Stock Exchange over a three-year period. Once vested, the options remain exercisable for a period of two years. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share fourteen days after the release of the half-yearly and annual financial results of the company to the market. The exercise price of options is based on the weighted average price at which the company's shares are traded on the London Stock Exchange during the week up to and including the date of the grant.

The directors are committed to pursuing acquisition opportunities with a view to conducting a reverse takeover. They believe that successfully executing a reverse takeover will deliver value for their shareholders. They are mindful of managing cash and costs carefully. To that end, they consider that these Share Options are an appropriate way to incentivise the directors and to align their interests with shareholders.

NOTES TO THE FINANCIAL STATEMENTS, continued

FOR THE YEAR ENDED 31 MARCH 2022

11. Employee share schemes, continued

Set out below are summaries of share options:

	Average exercise price per share option (pence) 2022	**Number of options (thousands) 2022**	**Average exercise price per share option (pence) 2021**	**Number of options (thousands) 2021**
As at 31 March 2021	0.020	21,646	0.023	1,345
Granted during the year	-	-	0.017	20,301
Exercised during the year	-	-	-	-
Forfeited during the year	0.023	(1,345)	-	-
As at 31 March 2022	0.017	20,301	0.020	21,646

The fair value of the share options at grant date is equivalent to the London Stock Exchange mid-market closing price of an ordinary share at the grant date. This is also the determined exercise price. The options are exercisable from the date falling 12 months from the date of grant. The average contractual life of the options is ten years.

The fair value of share options at grant date is amortised for 10 years and amount charged to profit and loss in 2022 is £35,746.

12. Share capital

	2022 £ '000	2021 £ '000
Allotted, called up and fully paid		
451,124,778 Ordinary 0.01p shares	**346**	346
31,875,568 Deferred 4.99p shares	**1,590**	1,590
	1,936	1,936

The Deferred shares do not carry any voting rights and do not entitle the holders to receive any dividend or other distribution.

	2022 Number	2021 Number
Movement in Ordinary shares		
Total number of shares in issue at 1 April	**451,124,778**	117,791,441
Shares issued during the year	**-**	333,333,337
Total number of shares in issue at 31 March	**451,124,778**	451,124,778
Deferred shares		
Deferred shares of 4.99p	**31,875,568**	31,875,568

NOTES TO THE FINANCIAL STATEMENTS, continued

FOR THE YEAR ENDED 31 MARCH 2022

13. Contingent liabilities
The company has no contingent liabilities as at 31 March 2022 (2021: £Nil).

14. Post Balance Sheet Event
Updates regarding a proposed reverse takeover transaction have been included in the Chairman's statement of this annual report.

15. Related party transactions and controlling related party
There were no related party transactions in the year.

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