

Mustang Energy Plc

Annual Report & Financial Statements for the period ended 31 December 2019

Company Registration No. 11155663 (England and Wales)

Contents

	Page
Company Information	3
Chairman's Statement	4
Board of Directors and Senior Management	5
Directors' Report	6
Strategic Report	11
Governance Report	16
Remuneration Report	21
Independent Auditors' Report	24
Statement of Comprehensive Income	29
Statement of Financial Position	30
Statement of Changes in Equity	31
Statement of Cash Flows	32
Notes to the Financial Statements	33

Company information

Directors

Alan Broome, AM
Dean L Gallegos
Peter Wale
Simon Holden

Company Secretary

Simon Holden

Registered Office

48 Chancery Lane,
London, WC2A 1JF

Registered Number

11155663

Brokers

Optiva Securities Limited
49 Berkeley Square
London W1J 5AZ

Independent Auditor

BDO LLP
55 Baker Street
London W1U 7EU

Solicitors

Druces LLP
Salisbury House, London Wall
EC2M 5PS

Principal Bankers

Metro Bank Plc
One Southampton Row
London WC1 5HA

Registrars

Share Registrars Limited
The Courtyard, 17 West Street
Farnham, Surrey, GU9 7DR

Chairman's Statement

The Company was formed to undertake an acquisition of a target business, or asset(s) with operations in the energy or natural resources sectors.

As you are aware the Company's shares began trading on the standard list of the London Stock Exchange on the 29 July 2019 after raising £750,000. Even though the Company has only been funded for a very short period of time we have been active in executing the Company's objectives as outlined in the Company's Prospectus.

The Directors believe that their network and profile following Admission mean that the Company will be able to target an Acquisition where the target company or business or asset(s) has a transaction value of between £2 million and £50 million.

The Company's determination in identifying a prospective target company or business or asset(s) in the energy or natural resources sectors will not be limited to a specific geographic region, stage of development from exploration through to production. However, it is the Company's preference that the target is generating cashflow or has the capability of generating cash flow within 12-18 months of acquisition.

Since Admission to the London Stock Exchange the Company has been actively seeking suitable acquisition opportunities and has seen good deal flow. The Company completed due diligence on a number of assets located in the USA, all of these assets are already in production and have development upside. Bids were placed on the assets in a competitive bidding process however the Company was not successful in those instances.

In early 2020 the Company had initiated discussions with a number of companies in respect to acquiring non-operated, minority interests in assets located in western Europe.

Since that time the effects of the COVID-19 virus and the oil price war between Saudi Arabia and Russia has meant that oil prices have declined by approximately 60%. The current oil price means that many oil assets are, at best, at close to break even on a cash flow basis but would be in a loss position when accounting for a total return on capital that would need to be invested.

The Company believes that the effect of this will mean companies that were seeking to divest assets will wait until the oil price recovers to a more attractive level, it is the Company's view that this level will be a Brent oil price of at least US\$50 barrel. It is unknown how long this recovery will take and therefore the Company will expand its search for appropriate acquisition targets to the entire value chain of the energy industry and not just the upstream sector. It will also consider potential acquisitions outside of the energy and natural resources industries.

The Directors collectively have an interest of 29.2% in the Company and therefore have a vested interest to ensure the Company's first acquisition is the right one. The Company will remain diligent in minimising its overheads by reducing administration charges wherever possible. I look forward to communicating with you further once a suitable acquisition has been identified and secured by the Company.



Alan Broome, AM
Chairman

11 May 2020

Board of Directors and Senior Management

Alan John Broome, AM (Non-Executive Chairman), aged 70

Alan Broome is a metallurgist with over 40 years experience in mining and metals. A well-known figure in the Australian mining industry, Alan has extensive board experience, both as a director and chairman, of a number of listed and unlisted energy, mining and mining technology companies. Over the last 20 years, Alan has had in-depth experience in oil exploration and production, coal mining, equipment, services and research sectors, in the UK, Australia and abroad. Alan is currently non-executive chairman of Strategic Minerals, a minerals production and development company incorporated and registered in England and Wales and listed on the AIM market of the London Stock Exchange.

Dean Lloyd Gallegos (Managing Director), aged 52

Dean Gallegos has significant experience in financial markets in both institutional/retail advisory and corporate advisory roles. This included being a founder and principal of an Australian based stockbroking and corporate advisory firm between 1995 and 2002. Since that time he has acted in a executive capacity in numerous mineral and energy focused public companies in Australia and Singapore. Since 2006, he has focused on energy-related projects, principally in the US (including Texas, Louisiana and Alaska) in both the onshore and offshore environments. Dean specialises in the identification of projects and the funding of the development of those projects through equity, debt and mezzanine financing. He has in-depth experience from both an operational and financial perspective in respect to the requirements of the exploration, discovery and subsequent production of oil and gas projects.

Peter Verdun Wale (Non-Executive Director), aged 50

Peter Wale brings a thorough understanding of financial markets and investment management with over 25 years of diverse professional investing experience across developed and emerging markets. He has worked for various American fund managers, including Fidelity Investments, and was a partner at an international hedge fund for 12 years. Peter remains an investor, mainly in the resources sector, and has an extensive network of contacts. He is an executive director and significant shareholder of Strategic Minerals and a director of Cornwall Resources Limited, where he has been actively involved in the development of the companies' strategy and investor communications.

Simon William Holden (Non-Executive Director), aged 44

Simon Holden is an experienced corporate finance and capital markets lawyer. He advises issuers in connection with initial public offerings and secondary fundraisings, start-ups and growth companies on alternative finance, and public and private companies in respect of domestic and cross border mergers and acquisitions. Simon is recommended in The Legal 500 2019 for: Flotations: Small and Mid-Cap; M&A: Smaller Deals up to £50M; Mining and Minerals; and Oil and Gas. Simon has an in-depth understanding of the UK quoted company sector, having advised on a significant number of AIM and Main Market transactions; acting for issuers, nominated advisers and brokers. He was called to the Bar of England & Wales (Lincoln's Inn) in 1999 and was subsequently admitted as a Solicitor in England & Wales in 2002. He is currently company secretary of Iofina plc (AIM: IOF) and previously served as company secretary of InfraStrata plc (AIM: INFA) and SolGold plc (formerly Solomon Gold plc) (LSE: SOLG).

Directors' Report

On 5 September 2019 the Company changed its period end from 31 January to 31 December and therefore these financial statements are for the 11 month period from 31 January 2019 until 31 December 2019.

The Directors present their report with the audited financial statements of the Company for the period ended 31 December 2019. A commentary on the business for the period is included in the Chairman's Statement on page 4. A review of the business is also included in the Strategic Report on pages 11 to 15.

The Company's Ordinary Shares were admitted to listing on the London Stock Exchange, on the Official List pursuant to Chapters 14 of the Listing Rules, which sets out the requirements for Standard Listings.

Directors

The Directors of the Company during the period and their beneficial interest in the Ordinary shares of the Company at 31 December 2019 were as follows:

Director	Position	Appointed	Ordinary shares	Options
Alan Broome	Non-Executive Chairman	17 January 2018	140,000	90,000
Dean Gallegos	Managing Director	17 January 2018	1,630,000	630,000
Peter Wale	Non-Executive Director	17 January 2018	340,000	90,000
Simon Holden	Non-Executive Director	1 August 2018	340,000	90,000

Qualifying Third Party Indemnity Provision

At the date of this report, the Company has a third-party indemnity policy in place for all four Directors.

Substantial shareholders

As at 31 December 2019, the total number of issued Ordinary Shares with voting rights in the Company was 8,400,000. Details of the Company's capital structure and voting rights are set out in note 12 to the financial statements.

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at the date of approval of this report.

Party Name	Number of Ordinary Shares	% of Share Capital
Dean L Gallegos	1,630,000	19.4%
The Australian Special Opportunity Fund, LP	1,000,000	11.9%
Optiva Securities Investments	645,000	7.7%
Matthew Lumb	500,000	5.9%
Curtis Burton	500,000	5.9%
William Richards	500,000	5.9%
Jonas & Catherine Chow	300,000	3.6%
Helen Mary Leighton	300,000	3.6%
Adrian Whitaker	300,000	3.6%

Directors' Report (continued)

Financial Instruments

Details of the use of the Company's financial risk management objectives and policies as well as exposure to financial risk are contained in the Accounting policies and note 1 of the financial statements.

Greenhouse Gas (GHG) Emissions

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the period under review, it has not been practical to measure its carbon footprint.

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

Dividends

The Directors do not propose a dividend in respect of the period ended 31 December 2019. No dividend was paid in the period to 31 January 2019.

Future developments and events subsequent to the period end

Further details of the Company's future developments and events subsequent to the period-end are set out in the Strategic Report on pages 11 to 15.

Corporate Governance

The Governance report forms part of the Director's Report and is disclosed on pages 16 to 20.

Going Concern

The Company's business activities, together with facts likely to affect its future operations and financial and liquidity positions are set out in the Chairman's Statement and also the Strategic Report. In addition, note 18 to the financial statements disclose the Company's financial risk management policy.

As noted in the Chairman's report the impact of the current COVID-19 crisis and significant drop in oil price is likely to impact upon the timing of the company entering into a transaction to acquire a business, asset or interest in an asset. Given the limited overheads in the business the Directors have assessed the cash flow forecast and do not consider COVID-19 to have an impact on the ability to manage the costs over the next 12 months.

The Directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to execute its operations over 12 months from the date of these financial statements.

The Directors note that as disclosed in the prospectus dated 17 July 2019, if an acquisition has not been announced by the end of January 2021, the Board will recommend to Shareholders either that the Company continue to pursue an acquisition for a further 12 months or that the Company be wound up (in order to return capital to Shareholders, to the extent assets are available).

Directors' Report (continued)

The Board's recommendation will then be put to a Shareholder vote (from which the Directors holding Ordinary Shares will abstain). In the event that the Company is wound up, any capital available for distribution will be returned to Shareholders in accordance with the Articles. An ordinary resolution of Shareholders is required to voluntarily wind-up the Company unless the Directors resolve to petition the High Court in England and Wales to wind-up the Company.

If an acquisition is not successfully completed by January 2021 and the shareholders voted to wind the company up, the remaining assets and liabilities would be settled in the normal course of business and any excess funds returned to shareholders. This is considered to be a material uncertainty as the company would be wound up and not continue to trade on a going concern basis. These events may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments that may be necessary if the Group were not a going concern.

The Directors consider that despite this uncertainty it remains appropriate to prepare the financial statements on a going concern basis as they continue to pursue completion of an appropriate transaction and have widened the search in terms of industry and geographical location and continue to engage with shareholders such that if a vote did occur they are confident that the shareholders would vote to continue to support the Directors in their search.

Principal Activities

The Company has identified the following criteria that it believes are important in evaluating a prospective target company or business or asset(s). It will generally use these criteria in evaluating acquisition opportunities. However, it may also decide to enter into an Acquisition with a target company or business or asset(s) that does not meet the below criteria.

The Directors intend to take an active approach to completing an acquisition and to adhere to the following criteria, insofar as reasonably practicable:

- **Geographic focus:** The Company intends, but is not required to, seek to acquire an exploration or production company or business or asset(s) with operations in energy or natural resources in any part of the world with: (i) strong underlying fundamentals and clear broad-based growth drivers; (ii) a meaningful population and an identifiable market; (iii) established financial regulatory systems; (iv) stable political structures; and (v) strong or improving governance and anti-corruption ratings.
- **Sector focus:** The Company intends to search initially for acquisition opportunities in the energy and natural resources sectors, but the Company shall not be limited to such sectors. The Directors believe that opportunities exist to create value for Shareholders through a properly executed, acquisition-led strategy in the energy or natural resources industry, however the Directors will consider other industries and sectors where they believe value may be created for Shareholders.
- **Identifiable routes to value creation:** The Company intends, but is not required to, seek to acquire a company or business or asset(s) in respect of which the Company can: (i) play an active role in the optimisation of strategy and execution; (ii) enhance existing management capabilities through the Directors' proven management skills and depth of experience; (iii) effect operational changes to enhance efficiency and profitability; and (iv) provide capital to support significant, credible, growth initiatives.

Directors' Report (continued)

- **Management of an Acquisition:** An Acquisition may be made by direct purchase of an interest in a company, partnership or joint venture, or a direct interest in a project, and can be at any stage of development. Following the completion of an Acquisition, the Directors will work in conjunction with incumbent management teams to develop and deliver a strategy for performance improvement and/or strategic and operational enhancements.

Auditors

The Board appointed BDO LLP as auditors of the Company on 15 October 2019. They have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies with a Standard Listing.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 and the Remuneration Committee Report 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. They are also responsible to make a statement that they consider that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for the shareholders to assess the Company's position and performance, business model and strategy.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' Report (continued)

Statement of Directors' responsibilities pursuant to Disclosure and Transparency Rule

Each of the Directors, whose names and functions are listed on page 6 confirm that, to the best of their knowledge and belief:

- the financial statements prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Annual Report and financial statements, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

Post Balance Date Events

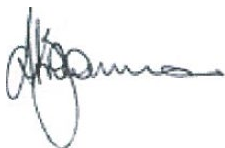
Since the 31 December 2019 the effects of the COVID-19 virus and the oil price war between Saudi Arabia and Russia has meant that oil prices have declined by approximately 60%. The current oil price means that many oil assets are, at best, at close to break even on a cash flow basis but would be in a loss position when accounting for a total return on capital that would need to be invested.

The Company believes that the effect of this will mean companies that were seeking to divest assets will wait until the oil price recovers to a more attractive level, it is the Company's view that this level will be a Brent oil price of at least US\$50 barrel. It is unknown how long this recovery will take and therefore the Company will expand its search for appropriate acquisition targets to the entire value chain of the energy industry and not just the upstream sector. It will also consider potential acquisitions outside of the energy and natural resources industries.

Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This directors' report was approved by the Board of Directors on 11 May 2020 and is signed on its behalf by:



Alan Broome, AM
Chairman

Strategic Report

The Directors present the Strategic Report of Mustang Energy Plc for the period ended 31 December 2019.

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

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

Specific commentary has been made below against the relevant provisions of Section 172(1)(a) to (f) of the Companies Act:

(a) the likely consequences of any decision in the long term

The Company has not made any material decisions over the period other than its decision to raise new equity capital.

(b) the interests of the company's employees

Aside from the Executive Directors and Company Secretary, the Company does not have any other employees.

(c) the need to foster the company's business relationships with suppliers, customers and others

Aside from a small number of service providers, the success of the Company's investment strategy will be driven in part by the business relationships that exist between the Directors and the management of other oil and gas companies and as such the maintenance of such relationships is given a very high priority by the Directors. Shareholders have been engaged with extensively as part of the capital raising and admission to LSE.

(d) the impact of the company's operations on the community and the environment

During the current investment phase the Company has no operations. The Directors are nevertheless cognisant of the potential impact of future investments on affected communities and the environment and such factors will continue to be considered as part of investment appraisal and decision making.

(e) the desirability of the company maintaining a reputation for high standards of business conduct

The Company's standing and reputation with other oil and gas companies, equity investors, providers of debt, advisers and the relevant authorities are key in the Company achieving its investment objectives and the Company's ethics and behaviour, as summarised in the Company's Business Principle and Ethics, will continue to be central to the conduct of the Directors. The Company is advised by blue-chip experienced advisers which also assist in maintaining high standards of conduct.

(f) the need to act fairly as between members of the company

The Directors will continue to act fairly between the members of the Company as required under the Companies Act, the AIM Rules and QCA and UK corporate governance principles.

The Company operates as a cash shell. The Directors are as transparent about the cash position of the Company and its funding requirements as is allowed under LSE regulations.

Strategic Report (continued)

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during 2019:

- Any contracts for services provided have been undertaken with a clear cap on financial exposure; and
- Maintain a policy of no rented office space with all directors working virtually.

As a cash shell Company, the Board seriously considers its ethical responsibilities to the communities and environment.

Review of Business in the Period

Operational Review

The Company's principal activity is set out in the Directors' Report on page 8.

Business Strategy

The Company is currently focused on delivering a material acquisition in the energy or natural resources sectors. The Directors note that as disclosed in the prospectus dated 17 July 2019, if an acquisition has not been announced by the end of January 2021, the Board will recommend to Shareholders either that the Company continue to pursue an acquisition for a further 12 months or that the Company be wound up (in order to return capital to Shareholders, to the extent assets are available).

The Board's recommendation will then be put to a Shareholder vote (from which the Directors holding Ordinary Shares will abstain). In the event that the Company is wound up, any capital available for distribution will be returned to Shareholders in accordance with the Articles. An ordinary resolution of Shareholders is required to voluntarily wind-up the Company unless the Directors resolve to petition the High Court in England and Wales to wind-up the Company.

Event since the period end

Since the 31 December 2019 the effects of the COVID-19 virus and the oil price war between Saudi Arabia and Russia has meant that oil prices have declined by approximately 60%. The current oil price means that many oil assets are, at best, at close to break even on a cash flow basis but would be in a loss position when accounting for a total return on capital that would need to be invested.

The Company believes that the effect of this will mean companies that were seeking to divest assets will wait until the oil price recovers to a more attractive level, it is the Company's view that this level will be a Brent oil price of at least US\$50 barrel. It is unknown how long this recovery will take and therefore the Company will expand its search for appropriate acquisition targets to the entire value chain of the energy industry and not just the upstream sector.

Strategic Report (continued)

Financial review

Results for the 2019 period

The Company incurred a loss for the period to 31 December 2019 of £195,464 (31 December 2018 – loss of £74,148 unaudited).

The loss for the period occurred as a result of on-going administrative expenses required to operate the Company and costs in relation to undertaking due diligence on potential acquisitions.

Cash flow

Cash operating outflows for 2019 were £97,795 (31 December 2018 - £1,160 outflow unaudited). Total inflows were £633,771 which represented £629,000 from initial public offering and £4,771 from the proceeds of loans and borrowings.

Closing cash

As at 31 December 2019, the Company held £516,557 of cash (31 December 2018 - Nil unaudited).

Key Performance Indicators (KPI)

The sole KPI for the Company has been to source a suitable acquisition target. As at the date of this report this KPI has not been met.

Position of Company's Business

At the period end the Company's Statement of Financial Position shows net assets totaling £495,859 (31 December 2018 – (£74,148) unaudited). The Company has few working capital liabilities and is considered to have a strong cash position for a company operating as a cash shell, at the reporting date.

Environmental matters

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

Employee information

At present, there are no female Directors in the Company. The Company has a Chairman, a Managing Director, two Non-Executive Directors and no employees. The Company is committed to gender equality and, if future roles are identified, a wide-ranging search would be completed with the most appropriate individual being appointed irrespective of gender.

Social/Community/Human rights matters

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

Strategic Report (continued)

Anti-corruption and anti-bribery policy

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has conducted a review into its operational procedures to consider the impact of the Bribery Act 2010 and the Board has adopted an anti-corruption and anti-bribery policy which can be accessed on the Company's website

Principal Risks and Uncertainties

The Company operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors are of particular relevance to the Company's activities although it should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

The Company's business strategy is to identify, evaluate and complete suitable Acquisition opportunities in the energy or natural resources sectors. The collapse in oil prices in the first part of 2020 from the impact of oil demand due to the effects of the COVID-19 virus and the oil price war between Saudi Arabia and Russia means that many oil assets are, at best, at close to break even on a cash flow basis but would be in a loss position when accounting for a total return on capital that needs to be invested.

The Company believes that the effect of this will mean companies that were seeking to divest assets will wait until the oil price recovers to a more attractive level, it is the Company's view that this level will be a Brent oil price of at least US\$50 barrel, it is unknown how long this recovery will take. The Director's also believe that the collapse in the oil price will mean it will be very difficult to raise either debt or equity funding, even if and when oil prices recover. The effect on investors confidence as a result of the oil price collapse cannot be underestimated and will take some time to recover.

The Directors intend to mitigate the risk of not finding a suitable acquisition in the energy sector by expanding its search to the entire value chain in the energy sector and not just the upstream part of that sector. To date the Directors search has been predominantly in the energy sector however it will expand the search to natural resources and outside of both energy and natural resources if an attractive opportunity presents itself.

Letters of Undertaking

The Directors have each signed a letter of undertaking dated 17 July 2019 addressed to the Company that any acquisition opportunities in the energy or natural resources sector, excluding acquisition opportunities relating to the exploration and/or production of magnetite in North America, and/or the exploration and/or production of nickel sulphide in Western Australia and/or the Northern Territory of Australia, and/or the exploration and/or production of tin, tungsten or copper in South West England, originated by each of them respectively, will be offered to the Company first (individually the "Undertaking" and together the "Undertakings").

The specific reason for these exclusions is that Mr Broome and Mr Wale are directors of Strategic Minerals plc (AIM: SML) ("Strategic Minerals"), which is quoted on AIM and which has operations in these sectors within the stated linked geographical areas. To avoid any conflict with any duties owed to Strategic Minerals by Mr Broome and Mr Wale, these sectors and linked geographical areas have been excluded from any acquisition opportunities that Mr Broome and Mr Wale, as well as Mr Gallegos and Mr Holden will consider for the Company.

Strategic Report (continued)

Letters of Undertaking (continued)

If the Company declines a particular acquisition opportunity it may then be offered to other entities the Directors are affiliated to. If an Undertaking is breached by a Director, recourse may potentially be taken by Shareholders for such breach. Furthermore, in the event of a breach of an Undertaking, it may also be likely that the Director in question has breached their fiduciary duties as a Director pursuant to the Companies Act 2006.

Further grounds for recourse may potentially therefore be available for Shareholders. It would be a commercial decision of the Shareholders as to whether any recourse should be taken in the event of a breach of an Undertaking. It should be noted however that as the Directors are also Shareholders and have been granted Options in the Company, they each have a financial stake in the Company which incentivises them to act in the interests of the Company.

The Board has decided that if the Company decides to proceed with an acquisition opportunity, the acquisition opportunity will only be handled by the Director/s whom a potential conflict of interest does not arise in relation to any other entities such Director/s may be affiliated with. Only the non-conflicted Director/s will be involved in the due diligence process and be able to decide if the acquisition opportunity is fit and proper for the Company.

Composition of the Board

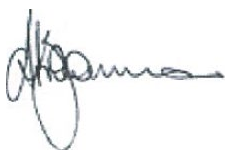
A full analysis of the Board, its function, composition and policies, is included in the Governance Report.

Capital structure

The Company's capital consists of ordinary shares which rank pari passu in all respects which are traded on the Standard segment of the Main Market of the London Stock Exchange. There are no restrictions on the transfer of securities in the Company or restrictions on voting rights and none of the Company's shares are owned or controlled by employee share schemes.

There are no arrangements in place between shareholders that are known to the Company that may restrict voting rights, restrict the transfer of securities, result in the appointment or replacement of Directors, amend the Company's Articles of Association or restrict the powers of the Company's Directors, including in relation to the issuing or buying back by the Company of its shares or any significant agreements to which the Company is a party that take effect after or terminate upon, a change of control of the Company following a takeover bid or arrangements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that may occur because of a takeover bid.

Approved by the Board on 11 May 2020.



Alan Broome, AM
Chairman

Governance Report

Introduction

The Company recognises the importance of, and is committed to, high standards of Corporate Governance. Whilst the Company is not formally required to comply with the UK Corporate Governance Code, the Company has looked to the requirements of the UK Code of Corporate Governance published in July 2018 (the Code) for best practice. The following sections explain how the Company has applied the Code:

Compliance with the UK Code of Corporate Governance

The Company has stated that, to the extent practicable for a company of its size and nature, it follows the UK Corporate Governance Code. The Directors are aware that there are currently certain provisions of the UK Corporate Governance Code that the Company is not in compliance with, given the size and early stage nature of the Company. These include:

- Provision 11 of the Code requires that at least half of the board should be non-executive directors whom the board considers to be independent. Non-Executive Directors are interested in ordinary shares in the Company and cannot therefore be considered fully independent under the Code. However Alan Broome, Peter Wale and Simon Holden are considered to be independent in character and judgement.
- Provision 17 of the Code requires that the board should establish a Nomination Committee with at least two independent non-executive directors.
- Provision 24 of the Code requires that the board should establish an Audit Committee with at least two independent non-executive directors.
- Provision 25 of the Code requires that the board should establish a Risk Committee with comprised of independent non-executive directors.
- Provision 32 of the Code requires that the board should establish a Remuneration Committee with at least two independent non-executive directors.

Until the acquisition is made, the Company will not have nomination, remuneration, audit or risk committees. The Board as a whole will instead review its size, structure and composition, the scale and structure of the Directors' fees (taking into account the interests of Shareholders and the performance of the Company), take responsibility for the appointment of auditors, monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance. Following an Acquisition, the Board intends to put in place nomination, remuneration, audit and risk committees.

The Board has a share dealing code that complies with the requirements of the Market Abuse Regulation. All persons discharging management responsibilities (comprising only the Directors at the current time) shall comply with the share dealing code at all times.

Governance Report (continued)

Compliance with the UK Code of Corporate Governance (continued)

The UK Corporate Governance Code can be found at www.frc.org.uk.

Set out below are Mustang Energy's corporate governance practices for the period ended 31 December 2019. After the Company has completed an acquisition, these corporate governance practices will be considered and reviewed to ensure they remain appropriate.

Leadership

The Company is headed by an effective Board which is collectively responsible for the long-term success of the Company.

The role of the Board - The Board sets the Company's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value. To achieve this, the Board directs and monitors the Company's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Company's core values and standards of business conduct and for ensuring that these, together with the Company's obligations to its stakeholders, are widely understood throughout the Company. The Board has a formal schedule of matters reserved which is provided later in this report.

Board Meetings - The core activities of the Board are carried out in scheduled meetings of the Board. These meetings are timed to link to key events in the Company's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which require decisions outside the scheduled meetings. During the period, the Board met on 2 occasions. Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Company or their areas of responsibility, and to keep them fully briefed on the Company's operations. Where Directors have concerns which cannot be resolved about the running of the company, or a proposed action, they will ensure that their concerns are recorded in the Board minutes.

Matters reserved specifically for Board - The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of:

- The Company's overall strategy;
- Financial statements and dividend policy;
- Management structure including succession planning, appointments and remuneration; material acquisitions and disposals, material contracts, major capital expenditure projects and budgets;
- Capital structure, debt and equity financing and other matters;
- Risk management and internal controls;
- The Company's corporate governance and compliance arrangements; and
- Corporate policies.

Governance Report (continued)

Summary of the Board's work in the period – During the period, the Board considered all relevant matters within its remit, but focused in particular on the establishment of the Company and the identification of suitable investment opportunities for the Company to pursue, the associated due diligence work as required and the decisions thereon.

Attendance at meetings:

Member	Position	Meetings attended
Alan Broome, AM	Non-Executive Chairman	2 of 2
Dean Gallegos	Managing Director	2 of 2
Peter Wale	Non-Executive Director	2 of 2
Simon Holden	Non-Executive Director	2 of 2

The Chairman, Alan Broome, AM, proposes and seeks agreement to the Board Agenda and ensures adequate time for discussion.

The UK Corporate Governance Code also recommends the submission of all directors for re-election at annual intervals. No Director will be required to submit for re-election until the first annual general meeting of the Company following an Acquisition.

The terms and conditions of appointment of Non-Executive Directors will be made available upon written request.

Other governance matters - All of the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a Director.

The Company Secretary - The Company Secretary is Simon Holden who is responsible for the Board complying with UK procedures.

Effectiveness

For the period under review the Board comprised of a Non-Executive Chairman and 3 Non-Executive Directors. Biographical details of the Board members are set out on page 5 of this report.

The Directors are of the view that the Board consist of Directors with an appropriate balance of skills, experience, independence and diverse backgrounds to enable them to discharge their duties and responsibilities effectively.

Independence - The non-executive Directors bring a broad range of business and commercial experience to the Company. The Board considers Alan Broome, Peter Wale and Simon Holden to be independent in character and judgement; this has been explored in more detail on page 16.

Appointments – the Board is responsible for reviewing the structure, size and composition of the Board and making recommendations to the Board with regards to any required changes.

Commitments – All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Governance Report (continued)

Induction - All new Directors received an informal induction as soon as practical on joining the Board. No formal induction process exists for new Directors, given the size of the Company, but the Chairman ensures that each individual is given a tailored introduction to the Company and fully understands the requirements of the role.

Board performance and evaluation – The Chairman normally carries out an annual formal appraisal of the performance of the other Directors which takes into account the objectives set in the previous period and the individual’s performance in the fulfilment of these objectives.

Although the Board consisted of four male Directors, the Board supports diversity in the Boardroom and the Financial Reporting Council’s aims to encourage such diversity. Aside from the Directors, there are no employees in the Company. The following table sets out a breakdown by gender at 31 December 2019:

	Male	Female
Directors	4	-

The Board will pursue an equal opportunity policy and seek to employ those persons most suitable to delivering value for the Company.

Accountability

The Board is committed to providing shareholders with a clear assessment of the Company’s position and prospects. This is achieved through this report and as required other periodic financial and trading statements. The Board has made appropriate arrangements for the application of risk management and internal control principles.

Going concern – The preparation of the financial statements requires an assessment on the validity of the going concern assumption.

In making their assessment of going concern, the Directors have reviewed forecasts, under one which entails continuing to search for an acquisition, for a period of at least 12 months from the date of approval of these financial statements. The Directors recognise the small cost base of the Company and its ability to conserve cash. As a result the Directors consider that the Company has sufficient funds for the required timeframe and as such they consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

Internal controls - The Board of Directors reviews the effectiveness of the Company’s system of internal controls to align with the requirements of the Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliance and risk management. The Company had necessary procedures in place for the period under review and up to the date of approval of the Annual Report and financial statements. The Directors acknowledge their responsibility for the Company’s system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Company. The Directors carry out a risk assessment before signing up to any commitments.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Governance Report (continued)

At the present, due to the size of the Company, there is no internal audit function. The requirement for internal audit will be considered following the completion of an acquisition.

External auditor

The Company's external auditor is BDO LLP. The external auditor has unrestricted access to the Board. The Board is satisfied that BDO LLP has adequate policies and safeguards in place to ensure that auditor objectivity and independence are maintained. The external auditors report to the Board annually on their independence from the Company. In accordance with professional standards, the partner responsible for the audit is changed every five periods. The current auditor, BDO LLP was first appointed by the Company in October 2019, and therefore the current partner is due to rotate off the engagement after completing the audit for the period ended 31 December 2024. Having assessed the performance objectivity and independence of the auditors, the Board will be recommending the reappointment of BDO LLP as auditors to the Company at the 2020 Annual General Meeting.

BDO LLP were paid £25,000 in relation to the audit of the 31 December 2019 financial statements. They were paid an additional £2,500 during 2019 for non-audit services which related to a read through of the half-period financial statements.

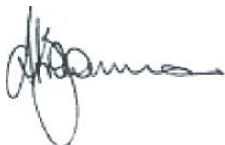
Shareholder relations

Communication and dialogue – Open and transparent communication with shareholders is given high priority and there is regular dialogue with institutional investors, as well as general presentations made at the time of the release of the annual and interim results. All Directors are kept aware of changes in major shareholders in the Company and are available to meet with shareholders who have specific interests or concerns. The Company issues its results promptly to individual shareholders and also publishes them on the Company's website. Regular updates to record news in relation to the Company and the status of its exploration and development programmes are included on the Company's website. Shareholders and other interested parties can subscribe to receive these news updates by email by registering online on the website free of charge.

The Directors are available to meet with institutional shareholders to discuss any issues and gain an understanding of the Company's business, its strategies and governance. Meetings can also held with the corporate governance representatives of institutional investors when requested.

Annual General Meeting - At every AGM individual shareholders will be given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of the AGM is sent to shareholders at least 21 working days before the meeting. Details of proxy votes for and against each resolution, together with the votes withheld are announced to the London Stock Exchange and are published on the Company's website as soon as practical after the meeting.

Approved on behalf of the Board of Directors by:



Alan Broome, AM
Non-Executive Chairman
11 May 2020

Remuneration Report

Remuneration Report Approval

A resolution to approve this report will be proposed at the AGM of the Company. The vote will have advisory status, will be in respect of the remuneration policy and overall remuneration packages and will not be specific to individual levels of remuneration.

Remuneration policy

In accordance with the commitments made in the Company's IPO prospectus, the Company did not remunerate any of its Directors in the relevant period for their ordinary duties prior to an acquisition and currently has no employees. At this stage of the Company's growth there is therefore no remuneration policy in place. If the Company decides to remunerate the Directors or hires any employees then a policy will be put in place.

Non-executive Directors

The Company policy is that the Non-Executive Directors are expected to attend scheduled board meetings and attend committee meetings as required. The Company does not have service contracts with any of the directors.

Other Employees

At present there are no other employees in the Company other than the Directors, so this policy only applies to the Board.

Terms of appointment

The services of the Directors are provided in accordance with their appointment letter. Directors are expected to devote such time as is necessary for the proper performance of their duties, but as a minimum they are expected to commit at least one day per month, which shall include attendance at all meetings of the Board and any sub-committees of the Board.

Director	Period of appointment	Number of periods completed
Alan Broome, AM	2018	2
Dean Gallegos	2018	2
Peter Wale	2018	2
Simon Holden	2018	1

Remuneration Report (continued)

Compensation of key management personnel (audited)

Set out below are the emoluments of the Directors for the period ended 31 December 2019 (GBP):

Name of Director	Salary and fees	Taxable benefits	Annual bonus and long term benefits	Pension related benefits	Share based payments	Total
	£	£	£	£	£	£
Alan Broome, AM	-	-	-	-	1,697	1,697
Dean Gallegos	-	-	-	-	11,880	11,880
Peter Wale	-	-	-	-	1,697	1,697
Simon Holden	-	-	-	-	1,697	1,697

Set out below are the emoluments of the Directors for the period ended 31 December 2018 (GBP) (unaudited):

Name of Director	Salary and fees	Taxable benefits	Annual bonus and long term benefits	Pension related benefits	Share based payments	Total
	£	£	£	£	£	£
Alan Broome, AM	-	-	-	-	-	-
Dean Gallegos	-	-	-	-	-	-
Peter Wale	-	-	-	-	-	-
Simon Holden	-	-	-	-	-	-

Pension contributions (audited)

The Company does not currently have any pension plans for any of the Directors and does not pay pension amounts in relation to their remuneration.

The Company has not paid out any excess retirement benefits to any Directors or past Directors.

Payments to past directors (audited)

The Company has not paid any compensation to past Directors.

Payments for loss of office (audited)

No payments were made for loss of office during the period.

Remuneration Report (continued)

UK Remuneration percentage changes

As the remuneration for the preceding financial period is nil for all Directors, no percentage changes for remuneration have been set out in this report.

UK 10-period performance graph

The Directors have considered the requirement for a UK 10-period performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company has only been listed since July 2019, is not paying dividends, is currently incurring losses as it gains scale and its focus is to seek an acquisition. In addition and as mentioned above, the remuneration of Directors is not currently linked to performance and we therefore do not consider the inclusion of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future reports.

UK 10-period CEO table and UK percentage change table

The Directors have considered the requirement for a UK 10-period CEO table. The Directors do not currently consider that including these tables would be meaningful given that the Company is not yet trading and the Directors are not yet remunerated for their services. The Directors will review the inclusion of this table for future reports.

Relative importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends we have not considered it necessary to include such information.

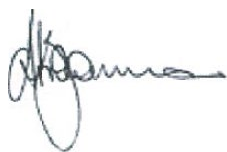
UK Directors' shares (audited)

The interests of the Directors who served during the period in the share capital of the Company at 31 December 2019 and at the date of this report has been set out in the Directors' Report on page 6.

Other matters

The Company does not currently have any other annual or long-term incentive schemes in place for any of the Directors and as such there are no disclosures in this respect.

Approved on behalf of the Board of Directors by:



Alan Broome, AM
Non-Executive Chairman
11 May 2020

Independent auditor's report to the members of Mustang Energy Plc

Opinion

We have audited the financial statements of Mustang Energy Plc ("the Company") for the 11 month period ended 31 December 2019 which comprise of the Statement of Comprehensive Income, Statement of Financial position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of 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 European Union 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 December 2019 and of the Company's loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, 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.

Material Uncertainty related to going concern

We draw attention to note 1.2 of the financial statements, which indicates that both COVID-19 and the suppression in global oil prices is likely to cause a delay in the Company completing a transaction to acquire a business, asset or interest in an asset. As stated in note 1.2, as part of the prospectus issued on Initial Public Offering (IPO), the directors disclosed the intention that if a transaction had not been completed by January 2021, the members would take a vote to either continue the search for a transaction for a further 12 months or wind up the Company and return any excess funds. The directors also disclose the need to potentially raise further funds as and when a transaction completes. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the conditions and uncertainties noted above, we considered going concern to be a key audit matter. We have performed the following work as part of our audit:

- Verified the disclosure within the IPO prospectus noting the Director's intention to propose a shareholder vote if a transaction is not completed by January 2021 and corroborated this to the disclosure in note 1.2;
- Reviewed board minutes and RNS announcements to consider whether there had been any changes made to the disclosure in the IPO prospectus and to verify that at the date of this report no committed transaction had occurred;
- Obtained the Directors' cash flow forecast and sensitised to consider based on the current run rate for overheads, if the Company has sufficient funds to continue to trade for a period of at least 12 months but further funds would be required to complete a transaction as and when this occurs;
- Challenged the Directors on the impact that COVID-19 and the depressed oil price would have on the timing of completing a transaction; and

- Considered the adequacy of disclosure within note 1.2 to the financial statements against the requirements of the accounting standards.

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) that 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. This 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 this matter. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How we addressed the Key Audit Matter in Our Audit
<p>Valuation of share options and warrants</p> <p>During the year the Company issued share options to Directors and warrants to advisors in return for services provided. Disclosure in the financial statements regarding the share options and warrants can be found at note 1.11 and note 10.</p> <p>The valuation of share options and warrants includes a number of key estimates and judgements in particular the volatility estimate included in the Black Scholes valuation model. Sensitivity within the volatility could have a material impact upon the financial statements. This was consider a significant risk to our audit and therefore a key audit matter.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Verified the option and warrant agreements to ensure key terms had been appropriately included in the Directors' valuation. • Obtained the Directors' assessment of volatility, used in the Black Scholes valuation model and benchmarked this to market information on comparable companies. We engaged BDO internal valuation experts to assess the reasonableness of the volatility applied and compared it to an acceptable range. • Re-performed the Black Scholes, agreeing other inputs to empirical information, to ensure accuracy. • Evaluated the adequacy of disclosures in respect of share options and warrants made by the Directors in the Annual Report in view of the requirements of Accounting Standards,
<p><u>Key Observations</u></p> <p>The valuation of share options and warrants has been undertaken appropriately by the Directors in line with the requirements of the accounting standards. Key variables, such as volatility, applied by the Directors are within a reasonable range. The valuation and the disclosure are considered to be materially correct..</p>	

Our application of materiality

Materiality	31 December 2019	Basis of materiality
Materiality for the financial statements as a whole	£3,000	Gross expenditure

We apply the concept of materiality both in planning and performing our audit and in evaluation the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly misstatements below these level will not necessary be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluation their effect on the financial statements as a whole.

We consider gross expenditure to be the financial metric of the most interest to shareholders and other users of the financial statements, given the Company's current situation as a non- trading company and only incurring expenditure. Gross expenditure is therefore considered to be the most appropriate basis for materiality. A benchmark of 1.25% has been applied to total expenditure and is considered reasonable given the level of transactions in the period.

Performance materiality is the application of materiality at the individual account or balance level and is set at an amount which reduces to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality was set at 75% of the above materiality levels. We considered 75% as a reasonable benchmark having given consideration to the level of transactions occurring in the Company and the nature of the operations.

We agreed with the Board that we would report to the Board all individual audit differences identified during the course of our audit in excess of £150. We also agreed to report differences below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, as well as assessing the risks of material misstatement in the financial statements. In approaching the audit, we considered how the Company is organised and managed. BDO LLP completed a full statutory audit on the company's financial information.

The extent to which the audit is capable of detecting irregularities is affected 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 part of the audit gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations where non-compliance might have a material effect on the financial statements, including, but not limited to, the Companies Act 2006, the UK Listing Rules and tax legislation.

Our audit approach included:

- agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with relevant laws and regulations,
- enquiring with the Directors concerning actual and potential legal claims
- addressing the risk of fraud through management override of controls, testing the appropriateness of adjustments posted during the financial close and agreeing a sample of overhead spend to Board approval;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is 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 which we are required to address

Following the recommendation of the Board, we were appointed by the Board on 15 October 2019 to audit the financial statements for the period ending 31 December 2019. The period of total uninterrupted engagement is 1 year.

The corresponding figures for the period ended 31 January 2019 are unaudited.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matt Crane (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
11 May 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

		Period ended 11 months ended 31 December 2019	Year ended 12 months ended 31 January 2019
	Note	£	£
Administrative expenses	20	(195,464)	(74,148)
Operating loss		(195,464)	(74,148)
Interest income		-	-
Loss before taxation		(195,464)	(74,148)
Taxation		-	-
Loss for the period		(195,464)	(74,148)
Other comprehensive income for the period		-	-
Total comprehensive loss or the period attributable to the equity owners	19	(195,464)	(74,148)
Loss per share from continuing operations attributable to the equity owners			
Basic loss per share	8	(0.05)	(18,357)
Diluted loss per share (pence per share)		(0.04)	(18,357)

The notes to the financial statements on page 33 to page 42 form an integral part of these financial statements.

Statement of Financial Position

	Note	As at 31 December 2019 £	As at 31 January 2019 (Unaudited) £
Assets			
<i>Non-current assets</i>			
Property, plant and equipment		551	902
Total non-current assets		551	902
<i>Current assets</i>			
Trade and other receivables	9	31,282	13,260
Cash and cash equivalents		516,557	-
Total current assets		547,839	13,260
Total assets		548,390	14,162
Equity and liabilities			
<i>Equity attributable to shareholders</i>			
Share capital	12	84,000	-
Share premium	13	654,000	-
Share based payments reserve		27,471	-
Retained deficit	14	(269,612)	(74,148)
Total equity		495,859	(74,148)
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	10	52,531	88,310
Total liabilities		52,531	88,310
Total equity and liabilities		548,390	(74,148)

The notes to the financial statements on page 33 to page 42 form an integral part of these financial statements

This report was approved by the board and authorised for issue on 11 May 2020 and signed on its behalf by:



Dean L Gallegos
Director
Company Registration Number: 11155663

Statement of Changes in Equity

	Share capital £	Share premium account £	Share based payments reserve £	Retained deficit £	Total equity £
On 17 January 2018	-	-	-	-	-
Period ended 31 January 2019					
Total comprehensive loss for the period	-	-	-	(74,148)	(74,148)
Balance as at 31 January 2019 (unaudited)	-	-	-	(74,148)	(74,148)
Period ended 31 December 2019					
Total comprehensive loss for the period	-	-	-	(195,464)	(195,464)
Issue of share capital	84,000	654,000	-	-	738,000
Share based payment	-	-	27,471	-	27,471
Balance as at 31 December 2019	84,000	654,000	27,471	(269,612)	495,859

Share capital comprises the ordinary issued share capital of the Company.

Share premium represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares.

Share based payments represents the value of equity settled share-based payments provided to employees, including key management personnel, and third parties for services provided.

Retained deficit represents the cumulative retained losses of the Company at the reporting date.

The notes to the financial statements on page 33 to page 42 form an integral part of these financial statements.

Statement of Cash Flows		11 months to 31 December 2019	12 months to 31 January 2019 (unaudited)
	Note	£	£
Cash (absorbed by) from operations	19	(97,795)	1,160
Cash flow from operating activities			
Cash (absorbed by) from operations	19	(97,795)	1,160
Cash flow from operating activities		(97,795)	1,160
Investing activities			
Purchase of property, plant and equipment		-	(1,160)
Net cash (used) in investing activities		-	(1,160)
Financing activities			
Proceeds from issue of shares (net of share issue costs)	12	629,000	-
Repayment of loans and borrowings		(19,419)	
Proceeds from loans and borrowings		4,771	
Net cash generated from financing activities		614,352	-
Net increase in cash and cash equivalents		516,557	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period		516,557	-

The notes to the financial statements on page 33 to page 42 form an integral part of these financial statements.

1 Accounting policies

Company information

Mustang Energy PLC is a public company limited by shares incorporated and domiciled in England and Wales. The registered office is 48 Chancery Lane, c/o Keystone Law, London, WC2A 1JF.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

1.2 Going concern

During the period the company made losses of £195,464 and at the reporting date had accumulated losses of £269,612. However, it should also be noted the company did have net assets of £548,390 at the reporting date.

The company funds its operations through the issue of share capital at a premium and at the reporting date had raised total financing of £738,000 with the view of seeking additional equity capital in the future.

As noted in the Chairman's report the impact of the current COVID-19 crisis and significant drop in oil price is likely to impact upon the timing of the company entering into a transaction to acquire a business, asset or interest in an asset. Given the limited overheads in the business the Directors have assessed the cash flow forecast and do not consider COVID-19 to have an impact on the ability to manage the costs over the next 12 months.

As disclosed in the listing prospectus dated 17 July 2019, if an acquisition has not been announced by the end of January 2021, the Board will recommend to Shareholders either that the Company continue to pursue an acquisition for a further 12 months or that the Company be wound up (in order to return capital to Shareholders, to the extent assets are available).

The Board's recommendation will then be put to a Shareholder vote (from which the Directors holding Ordinary Shares will abstain). In the event that the Company is wound up, any capital available for distribution will be returned to Shareholders in accordance with the Articles.

In the scenario of a successful acquisition, sufficient funds will need be raised to undertake the identified future plan for the enlarged Company. If an acquisition does not complete, the Directors have satisfied themselves that the Company has adequate existing cash resources to continue operating over the following 12 months. The Directors therefore have made an informed judgement, at the time of approving the financial statements, that there is reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and are confident that an acquisition will be successfully completed or the shareholders will vote to continue to pursue a transaction.

If an acquisition is not successfully completed by January 2021 and the shareholders voted to wind the company up, the remaining assets and liabilities would be settled in the normal course of business and any excess funds returned to shareholders. This is considered to be a material uncertainty as the company would be wound up and not continue to trade on a going concern basis. These events may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments that may be necessary if the Group were not a going concern.

Accounting policies (Continued)

The Directors consider that despite this uncertainty it remains appropriate to prepare the financial statements on a going concern basis as they continue to pursue completion of an appropriate transaction and have widen the search in terms of industry and geographical location and continue to engage with shareholders such that if a vote did occur they are confident that the shareholders would vote to continue to support the Directors in their search.

1.3 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.4 Impairment of tangible and intangible assets

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

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.6 Financial assets

There are no other categories of financial instrument other than those listed below:

Trade and other receivables

Trade receivables are recognised and carried at the original invoice amount less any provision for impairment. Other receivables are recognised and measured at nominal value less any provision for impairment.

The Company applies the expected credit loss model in respect of trade and other receivables. The Company tracks changes in credit risk, and recognises a loss allowance based on lifetime ECLs at each reporting date.

1.7 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the asset of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Trade payables are stated at their amortised cost.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Accounting policies (Continued)

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

The Company is registered in England and Wales and is taxed at the company standard rate of 19%.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Adoption of new and revised standards and changes in accounting policies Standards which are in issue but not yet effective

In the current period, the following new and revised Standards and Interpretations have been adopted by the company for the first time. These have been considered by the directors and deemed not to have a material impact on the current, previously reported, or future financial position and performance of the company.

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments

Accounting policies (Continued)

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective:

- Amendments to IFRS 3 Definition of a business Amendments to IAS 1 and IAS 8 Definition of material
- Conceptual Framework Amendments to References to the Conceptual Framework in IFRS Standards

It is not anticipated that adoption of the standards and interpretations listed above will have a material impact on the current financial position and performance of the company.

3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

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.

The valuation of the options and warrants incorporates a judgmental value. The Directors valued the options and warrants, using the Black Scholes model where inputs such a volatility, dividend yield and risk free rate require judgement. Volatility is a key estimate and therefore share options and warrants is considered a key judgment. Directors used an average volatility excluding certain outliers.

There are no other estimates and assumptions that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period.

4 Operating loss

	Period ended 11 months ended 31 December 2019	Year ended 12 months ended 31 January 2019
	£	£
Operating loss for the period is stated after charging / (crediting):		
Exchange gains	(479)	-
Fees payable to the company's auditor for the audit of the financial statements	27,500	-
Depreciation of property, plant and equipment	351	258
Share-based payments	27,471	-

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	Period ended 31 December 2019	Period ended 31 January 2019
Directors	4	3

The Directors were the key management personnel. Their compensation is disclosed in note 7 to the financial statements.

6 Compensation of key management personnel

	11 months to 31 December 2019	12 months to 31 January 2019
	£	£
Share based payments	16,971	-

7 Income tax expense

At the reporting date the company had accumulated tax losses of approximately £163,000 (31 January 2019 - £75,000) available for carry forward against future trading profits.

No deferred tax asset has been provided for in relation to these losses.

8 Loss per share Period ended

	Period ended 11 months ended 31 December 2019	Year ended 12 months ended 31 January 2019
	£	£
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	4,230,541	4
Weighted average number of ordinary shares for diluted earnings per share	4,230,541	4
Loss		
Loss for the period from continued operations	(195,464)	(74,148)
Loss for basic and diluted earnings per share being net profit attributable to equity shareholders of the company for continued operations	(195,464)	(74,148)
Loss per share Period ended (continued)		
Loss per share for continuing operations		
Basic loss per share	(0.05)	(18,537)
Diluted loss per share	(0.04)	(18,537)

The share options and warrants as disclosed in note 11 are considered to be anti-dilutive.

9 Trade and other receivables	Period ended 31 December 2019 £	Period ended 31 January 2019 £
Other receivables	8,000	11,260
VAT recoverable	14,671	2,000
Prepayments	8,611	-
	31,282	13,260

10 Trade and other payables	Period ended 31 December 2019 £	Period ended 31 January 2019 £
Trade Payables	18,245	-
Accruals	34,286	7,528
Other payables	-	80,782
	52,531	88,310

11 Share-based payment transactions	Number of warrants	Number of options
Outstanding at 1 February 2019	-	-
Granted	210,000	900,000
Outstanding at 31 December 2019	210,000	900,000
Exercisable at 31 December 2019	-	900,000

In July 2019 210,000 Warrants and 900,000 options were granted with an exercise price of 10p each.

Each Warrant entitles the Warrant Holder to subscribe for one Ordinary Share at the Placing Price per each Ordinary Share. The Warrants have not been admitted to trading on the Official List but are freely transferable. The Warrant Holder must exercise the Warrants within a three period from 29 July 2019. The Warrants can be transferred by means of an instrument of transfer in any usual form or any other form approved by the Board.

The Warrants have been granted to Optiva Securities Limited in consideration for the provision of brokering services to the Company (and other services ancillary to the Admission of shares onto the London Stock Exchange).

The fair value of the warrants at their grant date has been calculated using the Black Scholes Model and a valuation of £10,500 has been adjusted through the Share based payment reverse in equity during the current period.

Notes to the Financial Statements
For the period ended 31 December 2019

On 29 July 2019, the Company granted 900,000 Options to company directors. Each Option entitles the Option Holder to subscribe for one Ordinary Share at the Placing Price per each Ordinary Share. The Options vest when the share price of the Ordinary Shares reaches 15p. The Option Holders must exercise the Options within a five-period period from 29 July 2019, subject to the Options having vested.

The directors are of the opinion the company will achieve a share price of 15p by 31 December 2020, and therefore the Options will vest by this date. The successful acquisition of a target company is anticipated by 31 December 2020 following the expansion of searches for target companies into increased industries and areas, and the share price is expected to increase following acquisition.

The fair value of the options at their grant date has been calculated using the Black Scholes Model and a valuation of £16,971 has been adjusted through the Share based payment reverse in equity during the current period.

Share-based payment transactions (continued)
Black Scholes Model

	At grant date Warrants	At grant date Options
Share Price	£0.10	£0.10
Exercise Price	£0.10	£0.10
Expected volatility	80%	80%
Risk-free interest rate	0.68%	0.68%
Expected life	3 periods	5 periods
Number of warrants/options granted	210,000	900,000

12 Share Capital

	Period ended 31 December 2019	Period ended 31 January 2019
	£	£
Ordinary Share capital		
Issued		
84,000,000 Ordinary shares of 1p each	84,000	-
	84,000	-

On 15 July 2019 899,996 Ordinary shares of 1p each were issued at par.

On 17 July 2019 7,500,000 Ordinary shares of 1p each were issued at 10p per share.

Of the 7,500,000 Ordinary shares that were paid for, 7,400,000 shares were settled in cash and 1,000,000 shares were settled through the capitalization of a director's loan account.

The Ordinary shares have attached to them full voting rights, dividend and capital distribution rights (including on a winding up) but they do not confer any rights of redemption.

13 Share premium account

	Period ended 31 December 2019	Period ended 31 January 2019
	£	£
At the beginning of period	-	-
Issue of new shares	675,000	-
Less directly attributable issue costs	(21,000)	-
	654,000	-

Notes to the Financial Statements
For the period ended 31 December 2019

14 Retained Earnings	Period ended 31 December 2019 £	Period ended 31 January 2019 £
At the beginning of period	(74,148)	-
Loss for the period	(195,464)	(74,148)
	<hr/>	<hr/>
At end of period	(269,612)	(74,148)
	<hr/>	<hr/>

The retained earnings reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

15 Events after reporting date

Since the 31 December 2019 the effects of the COVID-19 virus and the oil price war between Saudi Arabia and Russia has meant that oil prices have declined by approximately 60%. The current oil price means that many oil assets are, at best, at close to break even on a cash flow basis but would be in a loss position when accounting for a total return on capital that would need to be invested.

The Company believes that the effect of this will mean companies that were seeking to divest assets will wait until the oil price recovers to a more attractive level, it is the Company's view that this level will be a Brent oil price of at least US\$50 barrel. It is unknown how long this recovery will take and therefore the Company will expand its search for appropriate acquisition targets to the entire value chain of the energy industry and not just the upstream sector. It will also consider potential acquisitions outside of the energy and natural resources industries.

16 Related party transactions

Remuneration of key personnel

The remuneration of directors, who are key management personnel, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	Period ended 31 December 2019 £	Period ended 31 January 2019 £
Share based payments	16,971	-
	<hr/>	<hr/>

Directors' loans

At the reporting date £9,000 (31 January 2019 - £nil) was due from the directors to the company in respect of unsettled share capital. £6,300 was due from D L Gallegos, and £900 was each due from A J Broome, P V Wale and S W Holden. These amounts are repayable on demand, interest free and are considered fully recoverable.

In addition, £1,000 (31 January 2019 - £70,789) was due to D L Gallegos in respect of expenses paid by the director on behalf of the company. This amount is repayable on demand and interest free.

On 15 July 2019 1,000,000 Ordinary shares of 1p each were issued to D L Gallegos and settled by way of the capitalization of £100,000 due to him from the company.

17 Controlling party

The company has no immediate or ultimate controlling party.

18 Financial instruments and associated risks

The company has the following categories of financial instruments at the period end:

	Period ended 31 December 2019 £	Period ended 31 January 2019 £
Financial assets at amortised cost:		
Cash and cash equivalents	516,557	-
Other receivables	8,000	11,260
Prepayments	8,611	-
	533,168	11,260
Financial liabilities at amortised cost:		
Trade Payables	18,245	-
Accruals	34,286	7,528
Other Payables	-	80,782
	52,531	88,310

There are no material differences between the fair value and the book value of the financial assets and liabilities.

The company has exposure to the following risks from the use of financial investments:

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company has sufficient liquid assets to meet the operating needs of the business. The financial obligations are very minimal therefore the company is unlikely to be exposed to significant liquidity risk.

Foreign currency risk

Virtually all transactions are conducted in the company's functional currency of UK pound. Occasional small value invoices were paid in US dollars and AUS dollars. It is therefore not significantly exposed to foreign exchange risk arising from exchange rate movements between the US dollar, AUS dollar and the UK pound.

Credit risk

The company does not generate any revenue therefore there is no exposure to credit risk from revenue. The company's financial assets as at the date of financial position were minimal and deemed recoverable.

Market risk

The company was formed to undertake an acquisition of a target company or business or asset(s) with operations in the energy or natural resources sectors. Any regulatory or market price changes in this sector might affect the company's financial position.

Capital risk

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders, to provide benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the company consists of equity attributable to the equity holders of the company, comprising issued capital and retained earnings. The capital structure of the company is managed and monitored by the directors.

19 Cash generated from operations

	Period ended 31 December 2019 £	Period ended 31 January 2019 £
Loss for the period after tax	(195,464)	(74,148)
Adjustments for:		
Depreciation and impairment of property, plant and equipment	351	258
Equity settled share-based payment expense	27,471	-
Movements in working capital		
Increase in trade and other receivables	(10,022)	(13,260)
Increase in trade and other payables	79,869	88,310
	(97,795)	1,160

20 Schedule of Administrative Expenses for the period ended 31 December 2019

	Period ended 11 months ended 31 December 2019 £	Year ended 12 months ended 31 January 2019 £
Administrative expenses		
Equity settled share based payment costs	27,471	-
Computer running costs	2,231	495
Travelling expenses	14,128	26,448
Professional subscriptions	31,805	17,000
Legal and professional costs	51,673	16,756
Consultancy fees	22,703	-
Accountancy	17,500	12,500
Audit fees	25,000	-
Bank charges	353	-
Insurance	1,167	-
Printing and stationary	-	36
Entertaining	1,041	541
Sundry expenses	520	114
Depreciation	351	258
(Profit) or loss on foreign exchange	(479)	-
	195,464	74,148