COMPANY #: 13403221

Zenova Group Plc
Annual Report
For the Year Ended
30 November 2023

ZENOVA™ | SAVING THROUGH INNOVATION

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HIGHLIGHTS FOR THE YEAR ENDED 2023

FINANCIAL HIGHLIGHTS

- Sales of £278k for the year ended 30 November 2023, an increase of 59% over prior year (2022 – £175k). Sales were impacted by delays in key product certifications required to enter strategic market segments. These issues have now all been resolved, and the company anticipates significant revenue growth in the near term.
- Loss after taxation for the year of £1,687k decreased by 17% compared to prior year (2022 – £2,032k), mainly arising from R&D tax credits, costs of research and development, testing and certification, staff costs, and professional fees.

PRODUCT DEVELOPMENT, TESTING AND CERTIFICATION HIGHLIGHTS

- BRE steel testing confirmed the effectiveness of our Zenova FP, fire-retardant paint, increasing market potential for our Zenova FP intumescent coating.
- Liverpool John Moores University validated the efficiency of our Zenova IP thermal insulation paint.
- Certification test results for the Zenova FX500 aerosol fire extinguisher by CNBOP, confirming Class A, B, F and Electrical classification to the BS 6165 fire standard.
- Zenova's FX extinguisher range passed EN3-7 testing and certification for the Zenova FX 6L & Zenova FX 9L confirming Classes A, B, and F as well as Electrical classification.

Post period update

- The Zenova FX extinguisher range further passed UK Kitemark, and MED (Marine Equipment Directive) certifications, both in 2024, establishing the Zenova extinguishers as the premier certified choice for comprehensive fire protection across any fire type.

PRODUCT HIGHLIGHTS

The Company has now successfully launched all major Zenova products:

- Zenova FP, fire retardant coating.
- Zenova IP, insulation coating.
- Zenova IR, insulation render.
- Zenova FX 500, 500ml aerosol fire extinguisher effective on all types of fires.
- Zenova FX 6L & Zenova FX 9L certified, all in one fire extinguisher for any type of fire.
- Zenova FX fluid, certified extinguishing agent for any type of fire.
- Zenova WB, ecofriendly, nontoxic wildfire barrier.

SALES HIGHLIGHTS

Sales are currently concentrated on large business-to-business accounts in sectors such as construction, manufacturing, industrial and public sector bodies. Zenova targets sales directly to the end user, by appointing sub-distributors and sales agents at national and international level. It focuses on product demonstrations and trials with key clients to leverage the networks and accredited industry specific consultants to penetrate large businesses, and public sector bodies.

New key customers and leading distributors

Dulux, Rawlins Paints, Kensington and Chelsea local authority, Melin Homes, Pinewood Studios, the NHS, Enfield City Council, Together Housing, Southdown Housing Association, Ukraine Military, Omnis (USA), Zensafe Ltd and Clastrom (Germany).

Zenova demonstrated the effectiveness and capabilities of its FX range of extinguishers to a group of leading UK Government and Fire Industry experts at a demonstration at The Fire Service College, Moreton-in-Marsh (Nov 2023),

Post period sales updates

- Expanding its business collaboration, Zenova solidified its partnership with Gracewood/Drips and Sparks/Zensafe with a £2.4 million order over two years for Zenova FP paint. (April 2024)
- Zenova brought products closer to international customers through successful client demonstrations in Mallorca, Spain (March 2024) and Albania (May 2024).

SALES AND DISTRIBUTION NETWORK HIGHLIGHTS

Zenova expanded its global sales and delivery capabilities through the appointment of sales and sub-distributors for major market access. Zenova has added several international sub-distributor agreements with annual commitment to purchase a minimum quantity by value to maintain exclusivity of Zenova products.

Post period sales and distribution network update

Zenova global sales footprint expanded to Latin America (2024), India (2024) and Romania (2024).

MANUFACTURING HIGHLIGHTS

Zenova has strengthened its supply chain and has now created reliable, scalable, outsourced manufacturing partners for all Zenova products in the UK, Europe and in North America which are ready to respond to meet Zenova's growth projections.

BOARD AND MANAGEMENT HIGHLIGHTS

Zenova realigned the Board of Directors and senior management to focus on increasing market penetration as the company enters the next stage of growth and is concentrating on operational capacity to transition from R&D, testing, and certification to sales growth and customer delivery. The following changes took effect in June 2023:

- Don Nicolson reverted back to the role of Non-Executive Chairman.
- Fiona Rodford took up the role of Executive Vice-Chairperson.
- Tony Crawley, Chief Executive Officer assumed the non-board role of Sales Project Director.
- Thomas Melchior (the previous CFO) was appointed as interim Chief Executive Officer.
- Farakh Farid appointed to the (non-Board) role of Chief Financial Officer.

Post period update.

- *Fiona Rodford assumed the role of Non-Executive Chair of the Company, replacing* Don Nicolson. (March 2024)

FINANCING HIGHLIGHTS

- Directors Don Nicolson, Thomas Melchior, Etrur Albani, and Fiona Rodford entered into a working capital loan with the Company, making up to £350,000 of cash resources available if needed. No amounts were drawn under this facility.
- In May 2023, the Company successfully raised gross proceeds of £500,000 through a placing at 4 pence per share. In addition, participating investors were granted a warrant carrying an exercise price of 10 pence per share and expiring three years from the date of issue.

Post period updates

- Zenova appointed a new broker, Peterhouse Capital, and a new auditor, Gravita. (April 2024)
- To fuel its expansion efforts, Zenova successfully raised gross proceeds of £677,500 through a subscription, earmarked to strengthening working capital. (March 2024)
- Zenova discontinued director working capital loan of £350,000. (May 2024)

CHAIR'S STATEMENT

Figure 1 Zenova FX500

Dear Shareholders,

Zenova was founded to develop innovative, sustainable solutions within the fire safety and heat management industry. Since our IPO in 2021, we have developed, tested, certified, and launched a suite of fire safety and temperature management products and solutions.

Through innovative development, and a refined formulation and development process, Zenova provides industry-leading solutions across a range of fire protection and temperature management problems, comprising fire retardant paints, insulating paints and render, fire extinguishing fluid, and a range of fire extinguishers.

Over the past year, Zenova's products have been rigorously tested and certified by independent, industry experts and testing houses:

- BRE steel testing confirmed the effectiveness of our fire-retardant paint.
- Liverpool John Moores University validated the efficiency of our thermal insulation paint, which can deflect, absorb and dissipate heat and reduce temperatures by up to 45% and therefore save costs, and reduce thermal conductivity.
- Zenova FX fire extinguishers are now tested and certified to the highest standards, including EU EN3-7, and post period also achieved UK Kitemark and MED

certification. We believe we now have the best all-in-one fire extinguishing fluid, capable of extinguishing any type of fire.

Zenova has strengthened its supply chain and now has scalable, outsourced manufacturing in the UK, Europe and in North America with reliable manufacturing partners ready to scale production.

Our global sales and delivery capabilities have been further enhanced through the appointment of sales and sub-distribution partners. Our global sales footprint now covers all major markets, including the USA, Latin America (2024) and the UK with expanded distribution partners such as Rawlins, Dulux. Our international expansion into promising markets like Germany, India (2024) and Romania (2024) further extends our sales and distribution network.

Zenova products have been specified for use in construction projects, renovations, film productions and production site safety by local government bodies, commercial entities, and social housing projects.

Our sales and marketing strategy, including effective product demonstrations in the USA, UK, Palma (2024) and Albania (2024) is further supporting our sales efforts.

The Zenova Group has achieved much in 2023, but sales growth has been lower than expected with Zenova recording £278k in the year ended 30 November 2023, which was a significant improvement over 2022, but nevertheless short of our expectations. Sales were impacted by delays in key product certifications required to enter key market segments. These issues have now all be resolved, and the Board expects significant revenues growth in 2024. This belief is underlined with the recent £2.4m Gracewood order and the significant sales prospect pipeline.

The Board believes that Zenova is well positioned for significant revenue growth in this fiscal year, benefiting from our hard work and achievements in securing the highest levels of certification and closing major sales agreements over the past years.

Alongside this we are committed to a programme of rigorous cost management, with monthly budget reviews at the Board level to ensure sufficient working capital during this growth period. We also expect Research and Development costs to decrease significantly as we move into the next phase of our strategy.

Zenova raised £500k gross through a placing of shares combined with three-year warrants with an exercise price of 10 pence per share in May 2023 as well as an additional £678k gross in March 2024 through a subscription, earmarked for bolstering working capital.

We also made some personnel changes to allow us to strengthen our deliver focus by moving Tony Crawley, Chief Executive Officer, to the role of Sales Project Director. Thomas Melchior, previously Chief Financial Officer, was appointed as interim Chief Executive Officer and I was appointed as Executive Vice Chair. In March 2024, I assumed the role of Non-Executive Chair of the Company.

I wish to thank Don Nicolson, the previous Chairman of Zenova since the IPO, for his active guidance and wisdom of steering the company successfully.

Our goal is to establish Zenova as the trusted provider of fire safety and thermal management solutions and products across multiple sectors and geographies. We are very confident in the effectiveness of our products, which have now been established through rigorous testing, certification, trials, and backed by customer trials and experience.

As always, a business depends on the goodwill of its people, and I wish to express my gratitude to our dedicated employees, loyal customers, and supportive shareholders. Together, we are well-positioned for continued success and profitable growth. We believe that Zenova and its products have a bright future and look forward to updating the market with further developments.

Fiona Rodford

Chair

Zenova Group PLC

6th of June, 2024

Strategic Report

Introduction

Zenova Group, through Zenova Ltd, is the holder of intellectual property that underpins a suite of fire safety and temperature management products and technology. The product range is applicable to industrial, commercial, and residential markets. The Group's products include fire retardant paints, insulating paints and render, fire extinguishing fluid and fire extinguishers. Through innovative development, and a refined formulation and development process, Zenova provides industry leading solutions across a range of fire protection and temperature management problems.

The founders of Zenova Group leveraged their extensive experience in the fire safety and insulation industry and began their research and development in 2017. A significant motivation for forming Zenova Group was the perceived stagnation in technological advancements within the fire safety sector. For over fifty years, the field had seen minimal innovation, leaving firefighters worldwide reliant on outdated technology that is resource-intensive and often produces harmful by-products.

Recognizing a significant market gap, the founding team developed innovative fire deterrence methods, starting with fire extinguishing fluid and associated hardware systems. Encouraged by positive test results, the founders expanded their product development to include paints and renders. By using innovative formulations and refining the development process, the team produced industry-leading solutions for various fire protection and temperature management challenges.

Zenova Ltd was established on January 20, 2020, to commercialize the intellectual property created by the founders. On July 22, 2021, Zenova Group Plc was admitted to AIM, raising £4.5 million before costs.

Research and Development, Testing and Certification

Zenova Group is committed to continuously developing and improving its products in order to maintain its competitive advantage.

Zenova has a small research and development team, as well as industry leading partners engaged under consulting agreements. Their task is product development, testing and refining the formulas and processes used for to create the Zenova intellectual property. In addition to the development of products, Zenova's R&D efforts also focus on rigorous and continuous testing, trials and certification.

- BRE steel testing confirmed the effectiveness of our Zenova FP, fire-retardant paint, thus expanding market potential for our Zenova FP intumescent coating.
- Liverpool John Moores University validated the efficiency of our Zenova IP thermal insulation paint and successfully demonstrated that just 1mm of Zenova IP can move a building's EPC rating from E to D, reducing heat energy consumption by over 25% thus lowering fuel bills by improving the U-value by 35%. Liverpool John Moores University our thermal insulation paint, which can deflect, absorb and dissipate heat

and reduce temperatures by up to 45% and therefore save thermal management energy costs.

- Certification test results for the Zenova FX500 aerosol fire extinguisher by international testing house CNBOP, an international testing house confirming Classes A, B, F and Electrical classification to the BS 6165 fire standard.
- Zenova's FX extinguisher range passes EN3-7 testing and certification for the Zenova FX 6L & Zenova FX 9L extinguishers by MPA Dresden Fire in Germany, confirming Class A, B, F and Electrical classification to the latest EN3 standard.

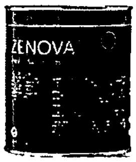
Post period updates

- The Zenova FX extinguisher range further passed UK Kitemark, and MED (Marine Equipment Directive) certifications, both in 2024, establishing the Zenova extinguishers as premier certified choice for comprehensive fire protection across any fire type.

Figure 2 Demonstration of Zenova FX extinguishers at The Fire Service College

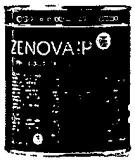
Products & Solutions

Zenova has developed a range of products providing fire safety and heat management solutions for a wide range of sectors and environments.



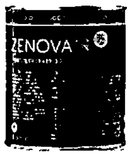
Zenova FP, fire protection paint

A water based, fire protection paint (also known as a 'thermofoaming' or 'intumescent' paint), which can be used on any surface and colour matched to any colour. When exposed to heat or flames, the paint expands and creates a solid foam-like crust which will not burn and insulates the surface to which it is applied. This prevents surfaces from catching fire and stops fire spreading.



Zenova IP, thermal insulation paint

A thermal insulation paint embeds the most modern insulating technology in a thermos-like ultra-thin layer. It saves energy by increasing the thermal insulation level in commercial and residential buildings. Zenova IP has been independently tested and validated to deflect, absorb and dissipate up to 75% of this heat, thereby reducing the inside temperature by up to 45%. Suitable for both exterior *and interior surfaces, on any type of surface.*



Zenova IR, thermal insulation render

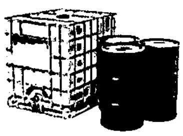
Zenova IR is a ready mixed insulation render that can be applied to internal and external walls in commercial and residential buildings to provide immediate insulation benefits and can be colour matched to any colour.

Zenova FX, fire extinguishers

A fire extinguisher like no other. Zenova FX extinguishers are PFAS compliant, effective and safe to use on all types of fires. Fully tested to European EN3-7 as well as British standards, the Zenova FX extinguishers are certified for class A, B and F as well as being safe for use on electrical fires. Available in 6 and 9 litre sizes.

Zenova FX500, aerosol fire extinguisher

The Zenova FX500 is a high-performance handheld fire extinguisher that is tested by independent experts and adheres to the highest industry standards. Safe for use on any type of fire, the Zenova FX500 reduces the risk of reignition. The Zenova FX 500 is quick, easy and safe to operated and has been fire tested to BS6165 standard.



Zenova WB, wildfire barrier

A wildfire barrier fluid (applied via spray wands or aerial drops), which provides a virtual barrier where fire simply will not burn. Repeated tests by the Wildfire Laboratory at Exeter University on a variety of extremely dry wildfire fuels (grasses, hays, brush) confirms the incredible fire resistance Zenova WB provides, while remaining viable after application for 30+ days in dry conditions.

SALES

Zenova sales strategy is currently concentrated on large business-to-business accounts in sectors such as construction, manufacturing, industrial and public sector bodies. Zenova targets sales to the end user, by appointing sub-distributors and sales agents on a national and international level.

Zenova focuses on product demonstrations and trials with key clients to leverage the networks and accredited industry specific consultants to penetrate large businesses, and public sector bodies.

Sales routes:

- Key account sales
- Direct sales
- Sales agents
- *Sub distributors for paint sales and distribution*
- Fire management experts and advisors
- International sub distributors

Product demonstrations

A key sales tool for the Company is in-person demonstration of the Zenova product range capabilities for potential clients, fire risk management experts and key purchasing decision makers.

- Emergency Services Showcase in Birmingham, UK
- Disasters Expo USA in Anaheim, USA (Sep 2023)
- The Fire Service College, Moreton-in-Marsh, UK (Nov 2023)
- Palma, Mallorca (March 2024)
- Albania, (May 2024)

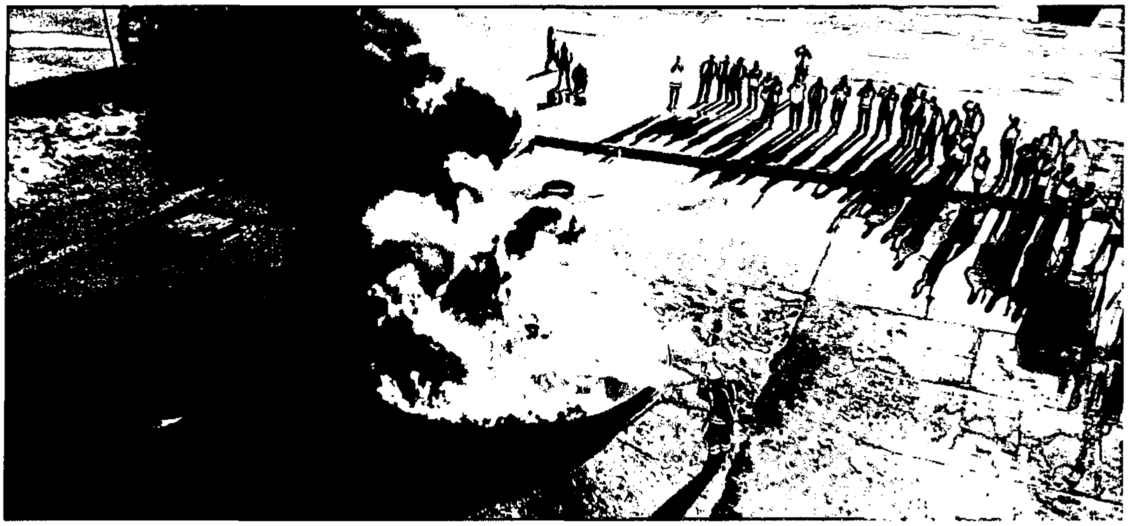


Figure 3 Demonstration of Zenova FX extinguishers at The Fire Service College

Figure 3 Demonstration of Zenova FP fire protection paint in Palma, Mallorca

Customer trials

Zenova is following a strategy of customer trials with key customers. As a result of these the company currently has invoiced and supplied multiple trial orders to key segments which are expected to lead to large follow up orders.

Post period update:

Customer trials of Zenova FP coatings on steel with Gracewood Construction Ltd through their sprayers Drips and Sparks Ltd and our sub-distributor Zensafe Ltd led to a two-year order for 200,000 litres for Zenova FP coating. The order is worth £2.4million to the Company over 2 years, which will be payable against monthly deliveries to sites specified in the previous month in instalments, commencing immediately.

Key customers

Some of our key customers are Dulux, Rawlins Paints, Kensington and Chelsea local authorities, Pinewood Studios, the NHS, Enfield City Council, Together Housing, Southdown Housing Association and the Ukraine Military.

Sales and Distribution Network

Zenova expands global sales and delivery capabilities through appointment of sales and sub-distributors for major market access. Zenova has secured some cornerstone agreements within key sectors which are expected to develop into large, longer-term sales from these partnerships.

Zenova has entered into several international sub-distributor agreements in various territories globally. These contracts include an annual commitment to purchase a minimum quantity by value of Zenova products.

Zenova's growing global sales and distribution footprint now covers all major markets including:

- UK
- Germany
- Austria
- Switzerland
- Poland
- Spain
- Portugal
- Romania (2024)
- USA
- Latin America (2024)
- India (2024)

Post period sales and distribution network update

Zenova global sales footprint has recently expanded into Latin America (2024). International expansion into India and Romania.

Manufacturing

Zenova has strengthened its supply chain and now has reliable, scalable, outsourced manufacturing partners for all Zenova products in the UK, Europe and in North America which are ready to increase production to meet Zenova's growth projections.

Manufacturing is subcontracted to specialist manufacturers in each category of product. Zenova sources and approves the manufacturing components and processes used by the manufacturers in advance of first production. Zenova maintains responsibility for ongoing manufacturing oversight and implementation of manufacturing strategy based on forecasted product supply and demand levels. The manufacturing process for all products and the time scale to produce finished goods is optimized. Zenova has entered manufacturing contracts with manufacturers to produce the initial volumes of its paints, primers, render, firefighting fluid and fire extinguishers.

Zenova has partnered with manufacturers in the following locations:

• Zenova FP	UK & Canada
• Zenova IP	UK & Canada
• Zenova IR	UK & Canada
• Zenova FX500	UK & USA
• Zenova FX6L & FX9L	Poland
• Zenova FX fluid	Poland & Canada
• Zenova WB	Poland & Canada

All production facilities are designed to scale up rapidly to meet expected growth in demand for Zenova products worldwide.

BOARD AND MANAGEMENT

Zenova realigned the Board of Directors and senior management to focus on sales and increasing market penetration as the company entered the next stage of growth and focused on operational capacity to transition from R&D, testing and certification to sales growth and customer delivery. (June 2023)

- Don Nicolson who chaired the Board of Directors since the company was admitted to AIM in July 2021 reverted back into the role of Non-Executive Chairman.
- Fiona Rodford took on the role of Executive Vice-Chairperson.
- Tony Crawley, Chief Executive Officer, stepped down from the Board and assumed the role of Sales Project Director.
- Thomas Melchior (the previous CFO) was appointed as interim Chief Executive Officer.
- Farakh Farid was appointed to the non-Board role of Chief Financial Officer.

Post period update.

- Fiona Rodford assumed the role of Non-Executive Chair of the Company, following Don Nicolson's resignation. Fiona's primary focus is on accelerating business growth and leveraging expanding market expansion through sales and distribution arrangements. (March 2024)

FINANCING

- Directors Don Nicolson, Thomas Melchior, Etrur Albani, and Fiona Rodford entered into a working capital loan with the Company, making up to £350,000 of cash resources available if needed. None of the Working Capital Loan has been utilised. The participating directors are to be rewarded for creating this facility.
- The Company successfully raised gross proceeds of £500,000 through a placing at 4 pence a share. In addition to receiving placing shares, investors participating in the

placing were granted a warrant in the ratio of one warrant for each placing share carrying an exercise price of 10 pence per share and expiring in three years from the date of issue. Additionally, one investor has entered into a deferred subscription agreement with Zenova pursuant to which it has the right to subscribe for up to an aggregate of 3,750,000 ordinary shares at 10 pence per ordinary shares within three years from the date of issue. (June 2023)

Post period updates

- Zenova appointed a new broker, Peterhouse Capital, and appointed Gravita as its new auditing firm. (April 2024)
- To fuel its expansion efforts, Zenova successfully raised gross proceeds of £677,500 through a subscription, earmarked to strengthen working capital. (March 2024)
- With robust projected cash flows and recent funding initiatives, Zenova discontinued the director working capital loan of £350,000, as it is not been drawn down and was no longer deemed necessary. (May 2023)

RESULTS

The consolidated results of Zenova Group Plc include the results of Zenova Limited and Zenova Distribution Ltd for the year ended 30 November 2023.

Key Performance Indicators	*2023 £'000*	*2022 £'000*
Revenue	278	175
Operating Loss	2,045	2,022
Loss after taxation	1,687	2,032
Revenue growth	59%	2817%
Operating Loss improvement	-1%	-77%
Loss after taxation improvement	-17%	-75%

- The Group achieved revenues of £278k an increase of 59% in the year from new and existing customers (2022: £175k), lower than anticipated because of testing and certification delays.
- The Group incurred an operating loss of £2,045k for the year ended 30 November 2023 (2022: £2,022k). The small increase in operating loss for the year was due to lower than anticipated revenues because of testing and certification delays, combined with further investment in R&D.
- The Group incurred a loss after fax for the period ended 30 November of £1,687k (2022: £2,032k). The decrease in loss after tax is due to an R&D tax credit received from HMRC in respect of FY22 and FY21.
- As at 30 November 2023 the Group reported net assets of £2,058k (2022: £3,245k).

- The Goodwill of £2,346k in respect of the acquisition of Zenova Distribution Ltd remained unimpaired.
- The year end cash was £98k (2022: 782k) due to the Group's continued marketing efforts and investment in R&D. Cash was bolstered in the year through the issue of 12,500,000 shares at 4p generating gross proceeds of £500k. Inventory holdings grew to £155k (2022: £51k) in readiness for anticipated growth in orders. Trade and other payables at year end were £668k (2022: 194k) leading to net current liabilities at year end of £262k, a position which was largely rectified in March 2024 following the issue of 33,875,000 shares at 2p which generated gross proceeds of £677k.
- Debt levels remain low with £28k (2022: £39k) payable on a Bounce Back Loan.
- The Board continue to carefully monitor liquidity and credit risk as described elsewhere in this report.

GOVERNANCE AND SUSTAINABILITY

Zenova adheres to and promotes a strong governance framework that is supported by integrity, professionalism, and full transparency.

Zenova is committed to providing solutions to protect the environment through the deployment of its products. It promotes a precautionary solution to the devastating effects of fire as well as the saving of costs in energy usage in both hot and cold climates.

Zenova aims to actively contribute to those communities in which it operates and where it provides its effective solutions. We look to engage with local communities and respect those social partnerships to cement long term relationships with those communities.

Zenova is engaged in a project over the coming months to ensure it is achieving the lowest carbon footprint possible. Zenova's suite of products will allow us to share their environmental benefits with our customers and other organisations, allowing them in turn to lower their own carbon footprint.

RISKS

Zenova Group Plc recognises that risk is inherent in its business activities. Its risks can have a financial, operational or reputational impact. The Company's system of risk identification, supported by established governance controls, ensures that it effectively responds to such risks, whilst acting ethically and with integrity for the benefit of our stakeholders.

Once identified, risks are evaluated to establish root causes, financial and non-financial impacts, and likelihood of occurrence. Consideration of risk impact and likelihood is considered to create a prioritised risk register and to determine which of the risks should be considered as a principal risk. The effectiveness and adequacy of mitigating controls are assessed. If additional controls are required, these will be identified, and responsibilities assigned.

The Group's management is responsible for monitoring the progress of actions to mitigate key risks. The risk management process is continuous; key risks are reported to the Audit Committee and at least once a year to the full Board.

The following risk factors, which are not exhaustive, are particularly relevant to the Group's business activities.

Early-stage of operations

The Group is early-stage and whilst it has agreements in place with several manufacturers and sub distributors, the volume of contracted orders remains at a low level. The Directors are confident that negotiations between its sub-distributors and end users will result in additional formal orders, however there can be no guarantee of this, and potential investors should consider this when choosing whether or not to invest in the Group. Moreover, an investment in the Group must also be considered in light of the risks, expenses and cash flow problems often encountered by early-stage companies. Typically, such companies can fail to achieve their business plan and their projections, through a failure to estimate the speed of completing a commercially saleable product, speed of market penetration, and the cash costs associated with penetrating international markets. Such companies also often fail to provide and maintain adequate investment in product development and marketing and fail to provide adequate managerial, operational and financial resources. There can be no assurance that the Group will be successful in executing its business plan or that shareholder value will be created. An investment in the Group should be regarded as speculative and should be considered long-term in nature and as suitable only for sophisticated investors who understand the risks involved, including the risk of a total loss of capital. Any investor in the Group must have no need for any liquidity with respect to this investment and must be able to withstand a total loss of his or her investment.

Appointment of sub-distributors

In addition to its appointed sub-distributors, the Group is in negotiations with sub-distributors in territories that it has identified as target markets. At this stage, there can be no guarantee that current discussions will result in the formal appointment of sub-distributors in the territories concerned. In this event there may be a delay to revenue recognition as the Group considers alternative sub-distribution partners.

Dependence on manufacturers

The Group does not intend to carry out any manufacturing activities. The Group has identified and contracted with several manufacturers to produce its paints, render, primer and fire extinguishing fluid products. Accordingly, the Group will be heavily dependent on the manufacturer's production capacity, which the Directors believe to be sufficient in the next two years of operation, however this is not guaranteed. In the event that capacity is not sufficient, there may be delays to the Group's revenue whilst capacity is expanded, or an additional manufacturer is sought. Moreover, the Group will be exposed to changes in the manufacturers pricing. This could have an adverse impact on the Group's profit margins or force it to increase its selling price, both of which could have an adverse effect on the overall financial performance of the Group.

Protection of secret formulas

The Group's secret formulas of chemicals used in its products have not been patented in order to prevent public access, it is possible and not uncommon that this decision may lead to intellectual property challenges from competitor companies. The Group is aware of comments made by a third party regarding the ownership of its intellectual property rights. No formal dialogue has taken place with this third party and the Group has received written legal advice from its intellectual property lawyers that there has been no infringement of the intellectual property rights of this third party. The Directors are therefore confident regarding the veracity of the Group's Intellectual Property Rights. The Directors, after due and careful enquiry, are not aware of any duplicates of the Group's products at present. It is not economically viable to conduct sufficient research and analysis in order to be aware of all potential duplicate companies and no formal Freedom to Operate search has been conducted on behalf of the Group. The Directors accept that there can be no guarantee that third parties have not or will not manage to independently develop products with the same or similar formulas as the Group's products and there can be no guarantee that any such competing products would not have a material adverse effect on revenues and prospects of the Group.

Changes in applicable laws and regulations

Whilst the Group's products currently comply with the appropriate laws and regulations in its targeted jurisdictions, these laws and regulations are likely to undergo change at some stage in the Group's future. In the event of changes to laws and/or regulations, the Group's products may need to be retested or recertified and in an extreme case redeveloped. This will bear a cost burden on the Group and could lead to delays in revenue having a material adverse effect on the Group's financial performance.

Competition risks

The Directors consider that the fire safety industry is likely to become more competitive over the coming years. There is a risk that smaller companies may enter the market and gain market share by offering products at low prices. The results of increased competition from new and existing competitors, along with the potential of aggressive pricing, may have a material adverse effect on the Group's financial results.

The Group's success depends on retaining and attracting capable management

The Group's success and ability to effectively execute its business plan depend in large part on its ability to attract and retain senior management. The Group's business plan was developed by its senior management, who have acquired specialised knowledge and skills regarding the Group, the markets it serves and the business generally. The Group may not be able to find effective replacements in a timely manner or at all. The loss of any of these members of senior management, or any delay in replacing a departed member, may have a material adverse effect on the Group's business, financial condition or operating results.

Testing and certifications

The Group ensures that all products and services are independently tested and/or certified to prove the Group's product's performance. The tests and certifications are based on British and International testing standards. There is no guarantee that these tests will be accepted by end customers, which could materially and adversely impact the Group's revenue and timing of revenue.

Product recalls might be necessary

The Group may be faced with the necessity of recalling one or more products or batches of products. This may occur even if no product default is evidenced, but rather if a defect is suspected of being present. A recall of the Group's product may result in loss of revenue and damage to the Group's reputation. In the event that products are no longer able to be sold there would be a material adverse effect on the Group's financial performance and options for refinancing on the capital market could be negatively affected or even excluded.

Market risks

The Group may be affected by general market trends which are unrelated to the performance of the Group itself. The Group's success depends on market acceptance of the Group's solutions and services and there can be no guarantee that this acceptance will continue to be forthcoming. Market opportunities targeted by the Group may change and this could have an adverse effect upon its revenue and earnings.

Product performance

The Group's products have been certified by independent testing providers, however the *actual performance of the Group's products in real world situations may vary due to* environmental factors and circumstances. This may impact the Group's ability to sell products and services and its reputation.

Improper use of product

The Group provides detailed instructions and training videos on how to use and apply the Group's products. Some users may improperly use or apply the Group's products which may result in poor performance and damage the reputation of the Group.

Working capital requirements

The Group has industry standard payment terms of thirty days and has considered its working capital requirements in its financial projections. Accelerated growth will require increases in working capital. There can be no guarantee that appropriate working capital funding will be available to the Group.

***The Group's insurance policies may be inadequate to cover the cost of claims made* against the Group**

While the Group maintains commercial insurance at a level it believes is appropriate against certain risks commonly insured in the industry, there is no guarantee that it will be able to obtain the desired levels of cover on acceptable terms in the future. Furthermore, the nature of these risks is such that liabilities could exceed policy limits or that certain risks could be excluded from the Group's insurance coverage. There are also risks against which the Group cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Group's earnings and competitive position in the future and, potentially, its financial position. The Group's operations could suffer losses which may not be fully compensated by insurance. In addition, certain types of risks may be, or may become, either uninsurable or not economically insurable, or may not be currently or in the future covered by the Group's insurance policies. Any of the foregoing could have a material adverse effect on the Group's business, financial condition, or operating results.

If the Group cannot maintain its corporate culture as it grows, it could lose the innovation, teamwork and focus that contribute crucially to its business

The Directors believe that a critical component of the Group's success has been its corporate culture, which they believe fosters innovation, encourages teamwork, cultivates creativity, and promotes focus on execution. The Group has invested substantial time, energy, and resources in building a highly collaborative team that works together effectively in an environment designed to promote openness, honesty, mutual respect, and the pursuit of common goals. As the Group continues to develop the infrastructure of a public company and continues to grow, it may find it difficult to maintain these valuable aspects of its corporate culture. Any failure to preserve the Group's culture could negatively impact its future success, including its ability to attract and retain personnel, encourage innovation and teamwork, and effectively focus on and pursue its corporate objectives.

Potential requirement for further investment

Any future expansion, activity and/or business development may require additional capital, whether from equity or debt sources. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds, if raised, would be sufficient. If additional funds are raised by issuing equity securities, dilution to the then existing shareholdings may result. Debt funding may require assets of the Group to be secured in favour of the lender, which security may be exercised if the Group were to be unable to comply with the terms of the relevant debt facility agreement. The level and timing of future expenditure will depend on a number of factors, many of which are outside the Group's control. If the Group is not able to obtain additional capital on acceptable terms, or at all, it may be forced to curtail or abandon such planned expansion, activity and/or business development.

Financial risk management

The Group holds a number of financial instruments and seeks to proactively manage the risks arising. The Group holds cash, trade and other receivables, trade and other payables and a loan. The Group held no derivates during the period. The principle financial risks managed are credit risk, foreign exchange risk and liquidity risk. The Board regularly monitors its exposures to these risks and takes mitigation actions where necessary. Further details of the Group's strategy to manage financial risks are in Note 18 of the financial statements.

Reputation risk

The Group's reputation is central to its future success in terms of the services and products it provides, the way in which it conducts its business and the financial results which it achieves. Issues that may give rise to reputational risk include, but are not limited to, failure to deal appropriately with legal and regulatory requirements, money-laundering, fraud prevention, privacy, record-keeping, sales and trading practices and the credit, liquidity, and market risks inherent in the Group's business. If the Group fails, or appears to fail, to deal with various issues that may give rise to reputational risk or if it fails to retain customers for any other reason, this could materially harm its business prospects. Also, failure to meet the expectations of its customers, suppliers, employees, shareholders, and other business partners may have a material adverse effect on the Group's reputation and future revenue. Further, failure of any of the Group's products exposes the Group to significant reputational damage, should any of its clients' experience fire related incidences. Such reputational damage could have a continued detrimental effect on the credibility of the Group and its services, which may lead to loss of accreditations, loss of customers and decreased ability to win business. Such an event may therefore have a material adverse effect on the Group's financial position, operations, and cash flows.

The Group's operating results may fluctuate, which makes the Group's results difficult to predict and could cause the Group's results to fall short of expectations

The Group's revenue and operating results may vary significantly from quarter to quarter and year to year because of a variety of factors, many of which are outside the Group's control. As a result, comparing the Group's operating results on a period-to-period basis may not be meaningful. In addition to other risk factors discussed in this "Risk Factors" section, factors that may contribute to the variability of the Group's quarterly and annual results include:

- the Group's revenue mix and any changes it makes other sources of revenue;
- the Group's marketing costs or selling expenses;
- the Group's ability to effectively manage its growth;
- the effects of increased competition in its business;
- the Group's ability to keep pace with changes in technology and its competitors;
- costs associated with defending any litigation or enforcing its intellectual property rights;
- the impact of political and economic conditions in any of the Group's targeted jurisdictions on its revenue and expenses; and
- changes in government regulation affecting its business.

The Group may have exposure to greater than anticipated tax liabilities

Determining the Group's provision for corporation and other tax liabilities and the application and calculation of tax exemptions requires significant judgment and there are many transactions and calculations where the ultimate tax determination is uncertain. Although the Directors believe that the Group's estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in the Group's financial statements and may materially affect the Group's financial results in the period or periods for which such determination is made.

Taxation legislation

Any change in the Group's tax status or in taxation legislation in any jurisdiction in which the Group operates could affect the Group's financial condition and results and its ability (if any) to provide returns to Shareholders.

Economic conditions and current economic weakness

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on the demand for the Group's products or services. A more prolonged economic downturn may lead to an overall decline in the volume of the Group's revenue, restricting the Group's ability to realise a profit. In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet assured. If economic conditions remain uncertain, the Group might see lower levels of growth than in the past, which might have an adverse impact on the Group's operations and business results.

Force majeure

The Group's operations now or in the future may be adversely affected by risks outside the control of the Group, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

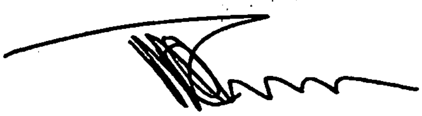
The Future

We anticipate that the next twelve months will be focussed on sales order book growth and order execution with a close focus on working capital management.

Zenova is already seeing a significant increase in qualified sales leads and quotations and expects conversion to orders will grow at an increasing pace as its sales and distribution channels gear up.

In the meantime, the Group has implemented strict cost controls to ensure it has the working capital to navigate this period of growth.

Finally, I would like to thank our dedicated employees, our Board colleagues for their support, our loyal and growing customer base for their trust in our products and our supportive shareholders for our continued success.



Thomas Melchior

Chief Executive Officer

Zenova Group PLC

6 June 2024

SECTION 172 (1) STATEMENT – PROMOTION OF THE COMPANY FOR THE BENEFIT OF MEMBERS

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.

The requirements of S172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers, and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Zenova Group Plc Board is cognisant of its legal duty to act in good faith and to promote the success of the Group for the benefit of its shareholders and with regard to the interests of a broad range of stakeholders. These include the likely consequences of any decisions we make over different time horizons; the need to foster the relationships we have with all our stakeholders; the interests of our employees; the impact our operations have on the environment and local communities; and the desire to maintain a reputation for high standards of business conduct.

By listening to, understanding, and engaging with our stakeholders, the Board endeavours to live up to their expectations, by staying true to our purpose, acting in accordance with our values, and delivering our strategy. Stakeholder considerations are integral to the discussions at Board meetings and the decisions we make take into account any potential impacts on them and the environment.

The Board and its committees took a broad range of factors and stakeholder considerations into account when making decisions in the year. Decisions are made within the context of the long-term factors that may impact the Group, including key competitive trends and disruptions; technology capability; and climate change considerations.

Fiona M Rodford.

Fiona Rodford

Chair

Zenova Group PLC

6 June 2024

DIRECTORS

Current Directors, as at 31st May 2024

Fiona Rodford
Non-Executive Chair (since March 2024)
Executive Vice-Chair (from June 2023 to March 2024)
Independent Non-Executive Director (to June 2023)
Fiona is a commercially focused people and transformation director with extensive experience of business transformation in both public and private organisations Including Fenwick Ltd, TUI Aviation, BAA (now Heathrow), Alliance & Leicester Group PLC, Booker Group PLC. She has a number of Non-Executive positions including Carrs Group PLC, Deputy Chair of Pilotlight and a member of the RemCo and Appointments Committee of the REC.

Thomas Melchior
Chief Executive Officer (since June 2023)
Chief Financial Officer (to June 2023)
Thomas has significant senior leadership experience as CEO/COO/CFO in technology-driven, customer focused enterprises in emerging markets and technologies. Thomas has held several directorships with companies across the globe including CFO at CWC Maldives/Dhiraagu, COO at PTK Kosovo, CEO of Horizon and CFO of Swisscom International.India/Essar Cellphone. He has successfully run companies and teams ranging from small startup organisations to large complex organizations in turnaround scenarios with over 2500 people and EUR 400m in revenue. He holds an MBA from the University of Rochester and a Federal Diploma in Business Administration from Zurich Business School.

Etrur Albani
Non-Executive Director
Etrur is a serial entrepreneur who has held many leadership roles in both start-up and established businesses, he is experienced in turn-around management and strategic development. In 2003 he joined Post and Telecom of Kosova as Manager for Strategic Planning, he then moved to Director of Strategic Planning and Development before appointment as Managing Director where he has been responsible for significant restructuring and growth. Etrur holds a Ph.D. and has completed the Oxford Strategic Leadership Course at Said Business School. Etrur is also Non-Executive Director of AIM quoted Eco Buildings PLC since June 2023.

Alain Gottesman
Independent Non-Executive Director
Alain is a senior strategic adviser with experience working with multinational companies ranging from start-ups to large public companies such as Denton's Advisory, Honeywell USA Track and Tracing Advisory, Guidry Libya Port Susah Advisory and Gulf Islamic Investment Dubai Advisory. Alain also worked with the Saudi Arabian Office of the Crown Prince for a desalination project in 2018. He has been involved in equity capital raisings and M&A as a director, adviser, and investor. Alain's experience includes Director of M&A at Strand Partners Investment Bank, CEO of Subsidiaries at Schlumberger Smart Cards & Terminals and Citizen Japan Vice President to Tokyo Office.

Directors during year to 30th November 2023

Don Nicolson (resigned as Director on 27th March 2024
Executive Chairman (to June 2023)
Non-Executive Chairman (from June 2023 until March 2024)

Don is a senior business leader with more than 35 years' experience in a range of business sectors, both UK and internationally, including oil, gas and natural stone. During this time, he has held multiple board roles, executive & non-executive, in both publicly listed and private companies. Don spent 26 years at BP where senior roles included Director of BP North Sea and Chief of Staff to (E&P) CEO. Don was also Non-Executive Director of AIM quoted Scirocco Energy PLC until August 2023.

Tony Crawley (resigned as Director on 27th June 2023)
Chief Executive Officer (until June 2023)

Tony founded Zenova having gained significant experience in senior roles in growing companies within Construction and Fire Safety. He was Managing Director of Fripura Sales Ltd where he was responsible for setting up logistics, manufacturing and sales operations throughout Europe and Canada. Tony began his career as an electrical contractor which culminated in his appointment as Chairman of a national contracting company with over 150 employees and generating revenue in excess of £18 million.

ADVISORS

Company Secretary

Orana Corporate LLP

Eccleston Yards,

25 Eccleston Place,

London, SW1W 9NF

Independent Auditor

Gravita II LLP

Aldgate Tower

2 Leman Street

London EC1 8FA

Principal Bankers

Lloyds Bank plc.

25 Gresham Street,

London

EC2V 7HN.

Brokers

Peterhouse Capital Limited

80 Cheapside

London

EC2V 6EE

Nominated adviser

SPARK Advisory Partners Limited

5 St. John's Lane

London

EC1M 4BH

Registrars

Neville Registrars Limited

Neville House

Steelpark Road

Halesowen B62 8HD

REPORT OF THE DIRECTORS

PRINCIPAL ACTIVITIES

The principal activity of Zenova Group Plc and its subsidiaries (collectively "Zenova Group" or "Group") is the development, manufacture and sale of fire-retardant systems.

Zenova Group Plc is the holder of intellectual property to underpin a suite of fire safety and temperature management products and technology. The product range is centred around a commercially confidential formula which when applied to various products has significant fire retardancy benefits.

Zenova Group Plc was incorporated on 17 May 2021, registered in England and Wales with company number 13403221. The registered office is 172 Arlington Road, London, England, NW1 7HL.

A detailed business review of the year and future development is included in the Chairman's statement and Strategic Report which is incorporated into this report by reference.

RESULTS AND DIVIDENDS

The Group's results are set out in the Consolidated Statement of Comprehensive Income on page 50. The audited financial statements for the year ended 30 November 2023 are set out on pages 51 to 55.

The Group incurred an operating loss of £2,045k for the year ended 30 November 2023 (2022 loss of £2,022k). The increase in operating loss for the year was due to lower than expected revenues because of testing and certification delays, combined with investment in R&D.

The Group incurred a loss after tax for the period ended 30 November 2023 of £1,687k (2022 – Loss of £2,032k). The decrease in loss after tax is due to the R&D tax credit refund received from HMRC.

The Company has not declared or paid cash dividends on the existing ordinary shares during the current period or subsequently.

The payment of any future dividends on the ordinary shares will depend on the future earnings of the Company. The Board has no current intention of paying a cash dividend to Shareholders as the Board currently intends to invest the Company's cash reserves and any cash generated into driving business growth but will consider declaring a dividend only when prudent to do so and in the context of the cash generated by the business.

DIRECTORS

The Directors of Zenova Group plc who served during the year and up to the date of signing the financial statements, unless otherwise indicated were:

- Fiona Rodford
- Thomas Melchior
- Etrur Albani
- Alain Gottesman
- Don Nicolson (until 27th March 2024)
- Tony Crawley (until 27th June 2023)

DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

	AS AT 30 NOVEMBER 2023 NUMBER OF ORDINARY SHARES	AS AT THE DATE OF THIS REPORT NUMBER OF ORDINARY SHARES
DON NICOLSON	-	-
TONY CRAWLEY	4,935,000	4,935,000
THOMAS MELCHIOR	-	-
ETRUR ALBANI*	4,700,000	4,700,000
ALAIN GOTTESMAN	-	-
FIONA RODFORD	-	-

* In addition to his shares held personally, a close family member of Etrur Albani holds a 50% interest in Linden Holdings (Malta) Limited, which held 11,750,000 shares at year end.

SIGNIFICANT SHAREHOLDERS AT 30 NOVEMBER 2023

	AMOUNT NUMBER OF ORDINARY SHARES	PERCENTAGE, %
ROCKMASTERS LIMITED	16,700,000	15.70%
LINDEN HOLDINGS (MALTA) LIMITED	11,750,000	11.05%
JIM NOMIINEES LIMITED	9,741,916	9.16%
HSBC GLOBAL CUSTODY NOMINEE (UK) LTD	8,734,268	8.21%
THE BANK OF NEW YORK (NOMINEES) LTD	8,527,366	8.02%
LAWSHARE NOMINEES LTD	8,202,318	7.71%
BNY (OCS) NOMINEES LTD	7,687,368	7.24%
1291211 B.C. LTD	5,405,000	5.08%
TONY CRAWLEY	4,935,000	4.64%
ETRUR ALBANI	4,700,000	4.42%
RATHBONE NOMINEES LTD	3,267,000	3.07%

STRATEGIC REPORT

The Company has chosen, in accordance with Section 414C of the Companies Act 2006, to set out the following information in the Strategic Report which would otherwise be required to be contained in the Directors' Report:

- Financial risk management objectives;
- Future developments of the business.

SUPPLIER PAYMENT POLICY

The Group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The Group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Group's contractual and other legal obligations.

CORPORATE GOVERNANCE

The Board of Directors is committed to developing and applying high standards of corporate governance appropriate to the Company's size and stage of development. The Board of Directors seeks to apply the QCA Code, revised in 2023 as devised by the Quoted Companies Alliance. These disclosures can be found in the Corporate Governance Report.

The Board acknowledges its responsibility for maintaining appropriate internal control systems and procedures to safeguard the Group's assets, employees and the business of the Group. The directors have recognised the changing requirements of the Group as it has developed from a private company start-up through re-registration as a public company and admission to trading on AIM, to a growing multi-asset operating Group.

The Board has established and operates a policy of continuous review and development of appropriate financial, operational, compliance and risk management controls, which cover expenditure approval, authorisation, and treasury management, together with operating procedures consistent with the accounting policies of the Group.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable but not absolute assurance against material misstatement or loss.

The Board has approved the Group's current operating and capital budget, and performance against budget is monitored and reported to the Board on a monthly basis. The directors confirm that the effectiveness of the internal control system during the accounting year has been reviewed by the Board. Steps are underway to reinforce as needed all processes and systems as the Company grows. The Board does not consider it necessary to establish an internal audit function considering the current size of the Group.

ENVIRONMENTAL POLICY

The Group is aware of the potential impact that its subsidiary companies may have on the environment. The Group ensures that it complies with all local regulatory requirements and seeks to implement a best practice approach to managing the environmental aspects of its operations based on ISO 14001.

Health and Safety

The Group's aim is to achieve and maintain a high standard of workplace safety. In order to achieve this objective, the Group provides training and support to employees and sets demanding standards.

Independent Auditor

Each of the Directors at the date of the approval of this report confirms that:

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

Going Concern

In the year to 30 November 2023 the Group reported a loss after taxation of £1.69m. Net current liabilities at 30 November 2023 were £0.26m. The Directors assess at each reporting date whether it is appropriate to present the financial statement on a going concern basis having regard to projections for a period of 12 months from the signing of those financial statements. The going concern assessment is subject to estimation uncertainty and there is judgement in determining underlying assumptions. The Directors are confident that the Group and Company will be able to meet its ongoing working capital requirements from new orders, but also consider that in a severe but plausible downside scenario there are sufficient options to enable the Group to continue to meet its cash requirements should that scenario arise. Having regard to the existing and future working capital position and projected sales the Directors are of the opinion that the application of the going concern basis is appropriate, however they acknowledge the existence of a material uncertainty. Further details of the judgements applied in performing the going concern assessment are given in Note 3 to the financial statements.

Signed on behalf of the Board of Directors

Thomas Melchior

Director

6th of June 2024

CORPORATE GOVERNANCE REPORT

The Board of Zenova Group Plc has adopted the QCA Corporate Governance Code ('the Code') as its code of corporate governance. The Code is published by the Quoted Companies Alliance ('QCA') and is available at www.theqca.com. The key governance related matter that occurred during the year ended 30 November 2023 was the reorganisation of the board of directors, with the appointment of Fiona Rodford as Executive Vice-Chair, the resignation of the Tony Crawley and appointment of Thomas Melchior, the former CFO, as CEO.

CORPORATE GOVERNANCE REPORT

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles:

Principle One: Business Model and Strategy

Zenova was incorporated to develop cutting-edge technology that will set the standard for the next generation of fire safety and temperature management in myriad applications. Our goal is to make every place a safe space by developing affordable products that are simple, yet more efficient and environmentally friendly without compromising the quality.

The Board implements this strategy through regular meetings to discuss the strategic direction of the Company and progress against achieving its aims. Details of the Company's strategy can be found in the strategic report on page 9.

Principle Two: Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Zenova Group Plc has a Board of Directors with experience in understanding the needs and expectations of its shareholder base. It supplements this Board with professional advisers in the form of a Public Relations company, NOMAD, Broker, Auditor and Company Secretary who provide advice and recommendations in various areas of its communications with shareholders.

Zenova Group Plc engages with shareholders in the following ways:

- The Company website has been designed as a hub to provide information to shareholders and communicate with them. The website is regularly reviewed to ensure the information is up to date and relevant. The website contains copies of all Company communications and public documents.
- The Company provides regular updates to the market via the Regulatory News Service.
- The Company's Annual Report provides required information regarding historical performance, strategy and objectives of the Company. An Annual General Meeting is held to which all shareholders are invited and may engage with the Board of Directors.

Contact details for the Company are provided on the Company website (www.zenovagroup.com) along with public documents.

Principle Three: Considering Wider Stakeholder and Social Responsibilities

The Board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. For example, employees are encouraged to raise any concerns they may have with relevant management and are also provided with independent contact should they not want to engage directly with their managers. The mechanisms for feedback from shareholders have been considered under point (2) above. Feedback from customers is at present informal. Sales agents will contact customers on an ad hoc basis following completion of a sale or project and provide verbal feedback where necessary to senior management. Feedback from regulators is provided via the regular framework of reporting and inspections that are carried out.

These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of the Company.

Principle Four: Risk Management

The Directors of the Company recognise that risk is inherent in all of its business activities. Its risks can have a financial, operational or reputational impact. The Company's system of risk identification, supported by established governance controls, ensures that it effectively responds to such risks, whilst acting ethically and with integrity for the benefit of all of our stakeholders. Once identified, risks are evaluated to establish root causes, financial and non-financial impacts, and likelihood of occurrence. Consideration of risk impact and likelihood is taken into account to create a prioritised risk register and to determine which of the risks should be considered as a principal risk. The effectiveness and adequacy of mitigating controls are assessed. If additional controls are required, these will be identified, and responsibilities assigned. The Company's management is responsible for monitoring the progress of actions to mitigate key risks. The risk management process is continuous; key risks are reported to the Audit Committee and at least once a year to the full Board.

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the executive Directors. However, the Board will continue to monitor the need for an internal audit function.

Principle Five: A Well-Functioning Board of Directors

The Board had six Directors until June 2023, when the number of Directors was reduced to five Directors, three of whom are non-executive. The Board is responsible for the management of the business of the Company, setting its strategic direction and establishing appropriate policies. It is the Directors' responsibility to oversee the financial position of the Company and monitor its business and affairs, on behalf of the shareholders, to whom they are accountable. The primary duty of the Board is to act in the best interests of the Company and stakeholders at all times. The Board also addresses issues relating to internal controls and risk management.

The Non-Executive Directors as of 30th May 2024 Fiona Rodford, Etrur Albani and Alain Gottesman bring a wide range of skills and experience to the Company, as well as independent judgment on strategy, risk and performance. The independence of each Non-Executive Director is assessed at least annually, and Fiona Rodford, Etrur Albani and Alain Gottesman are considered to be independent at the date of this report.

It is the Company's policy that the roles of the Chairman and CEO are separate, with their roles and responsibilities clearly divided and recorded. A summary of their roles is as follows:

- The Chairman is responsible for leadership of the Board, ensuring its effectiveness and setting its agenda. The Chairman facilitates the effective contribution and performance of all Board members whilst identifying any development needs of the Board. He also ensures that there is enough and effective communication with shareholders to understand their issues and concerns.
- The CEO is responsible for executing the strategy agreed by the Board and developing the Company's objectives through leadership of the senior executive team. He will recommend to the Board any investment or new business opportunities which meet this strategy. He also ensures that the Company's risks are adequately addressed, and appropriate internal controls are in place. The CEO is responsible for meeting with shareholders and ensuring effective communication.
- The CEO is responsible for the day-to-day management of the Company, and for maintaining the highest ethical standards and integrity in the interest of the shareholders, employees, customers and the wider community.

The following table shows the directors' attendance at scheduled Board meetings of Zenova Group Plc, which they were eligible to attend during the 2023 year:

Director	***Attendance at Board Meetings***
Don Nicolson	10/11
Tony Crawley (until June 2023)	5/6
Thomas Melchior	11/11
Etrur Albani	10/11
Alain Gottesman	10/11
Fiona Rodford	11/11

As at the financial year end the Board comprised, the Non-Executive Chairman Don Nicolson, the Executive Vice Chair Fiona Rodford, CEO Tony Crawley (until June 2023), the CEO (from June 2023 and Chief Finance Officer (up to June 2023) Thomas Melchior, two Non-Executive Directors, Etrur Albani, Alain Gottesman. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years. The letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours.

Principle Six: Appropriate Skills and Experience of the Directors

The Board of Zenova Group Plc has been assembled to allow each Director to contribute the necessary mix of experience, skills, and personal qualities to deliver the strategy of the company for the benefit of the shareholders over the medium to long term. Full details of the Board Members and their experience and skills can be found on pages 25 & 26 of these financial statements.

Together the Board of Directors provide relevant sector skills, the skills associated with running large public companies, technical skills, country experience and technical and financial qualifications to assist the Company in achieving its stated aims.

The Directors keep their skillsets up to date through as required through the range of roles they perform and consideration of technical and industry updates.

The role of Company Secretary is fulfilled by Orana Corporate LLP and supports and advises the Board in its function.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Principle Seven: Evaluation of Board Performance

Zenova Group Plc has yet to carry out a formal assessment of Board effectiveness, given its stage of development as an entity. The Board are considering how this first assessment will be carried out. The Board will keep this under consideration and put in place procedures when it is felt appropriate.

The Company's policy is to maintain levels of compensation for the Company that are comparable and competitive with peer group companies, so as to attract and retain individuals of the highest calibre, by rewarding them as appropriate for their contribution to the Company's performance. The Company may take independent advice in structuring remuneration packages of directors and employees.

The terms of each Executive Director's appointment are set out in their service agreements which are effective for an indefinite period but may be terminated in accordance with specified notice periods of between six and twelve months. Each service agreement sets out details of basic salary, fees, benefits-in-kind and share option grants. The Directors do not participate in any group pension scheme and their remuneration is not pensionable.

The executive directors are eligible to participate in discretionary bonus arrangements. Bonuses are payable in cash and are awarded by the Board, upon recommendations by the Remuneration Committee. Details of the Directors' compensation are set out in the notes to the financial statements.

The terms of appointment of the Non-Executive Directors are set out in their letters of appointment which are effective for renewable three-year terms but may be terminated in accordance with specified notice periods. The Non-Executive Directors do not participate in any group pension scheme and their remuneration is not pensionable. Details of Non-Executive Directors' compensation are set out in the financial statements.

The basic salary of each Executive Director is established by reference to their responsibilities. The fees paid to Non-Executive Directors are determined by the Board and reviewed periodically to reflect current rates and practice commensurate with the size of the Company and their roles.

Principle Eight: Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients, and other stakeholders.

Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle Nine: Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

The terms of reference of the board committees are reviewed regularly and are available on the Company's website www.zenovagroup.com.

Remuneration Committee

The Remuneration committee as of 30th of May is chaired by Fiona Rodford and its other members are Etrur Albani and Alain Gottesman, the majority of whom are independent non-executive directors. The CEO can attend committee meetings as observers. The remuneration committee is expected to meet not less than once a year and at such other times as required. It has responsibility for determining, within the agreed terms of reference, the Company's policy on the remuneration packages of the Company's chief executive, Chairman, and the executive directors, the company secretary, senior managers, and such other members of the executive management as it is designated to consider. The remuneration committee also have responsibility for determining (within the terms of the Company's policy and in consultation with the Chairman of the Board and/or the chief executive officer) the total individual remuneration package for each executive director, the company secretary, and other designated senior executives (including bonuses, incentive payments and share options or other share awards).

The remuneration of non-executive directors is a matter for the Chairman and executive directors of the Board. In addition, the remuneration committee has the responsibility for reviewing the structure, size, and composition (including the skills, knowledge, and experience) of the Board and giving full consideration to succession planning. It also has responsibility for recommending new appointments to the Board.

Nomination Committee

The Nomination Committee as of 30th of May 2024 comprises Etrur Albani and Alain Gottesman, with Fiona Rodford as chair of the committee. The Nomination Committee's main functions in relation to nominations include, among other things, giving consideration to succession planning for Board members; identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise; evaluating the balance of skills, knowledge and experience on the Board; regularly reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and making recommendations to the Board with regard to changes; reviewing the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace; and making recommendations to the Board about the re-appointment of any Non-Executive Director at the conclusion of their specified term of office or retiring.

Audit Committee

The Audit Committee as of 30th of May 2024 is chaired by Alain Gottesman and its other members are Etrur Albani and Fiona Rodford, the majority of whom are independent non-executive directors. The Audit and Risk committee is expected to meet formally at least twice a year and otherwise as required. It has the responsibility for ensuring that the financial performance of the Company is properly reported on and reviewed and its role includes monitoring the integrity of the financial statements of the Company (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors. The Audit Committee has unrestricted access to the Company's auditors.

Non-Executive Directors

The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place, and which have been observed throughout the year. In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten: Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Historical announcements and other governance-related material, notices of all general meetings can be found on the website.

There have been no votes where a significant proportion of votes (e.g., 20% of independent votes) have been cast against a resolution at any general meeting.

REPORT OF THE AUDIT COMMITTEE

The Board has established an Audit Committee to monitor the integrity of the Group's financial statements and the effectiveness of the Group's internal financial controls. The Committee's role and responsibilities are set out in the Committee's terms of reference which are available from the Group and are displayed on the Group's website. The Terms of Reference are reviewed annually and amended where appropriate. During the year, the Committee worked with management, the external auditors, and other members of the Board in fulfilling these responsibilities.

This report details how the Audit Committee has met its responsibilities under its Terms of Reference during the year. The Audit Committee focused particularly on the appropriateness of the Group's financial statements. The Committee has satisfied itself, and has advised the Board accordingly, that the 2023 Annual Report and Financial Statements are fair, balanced, and understandable, and provide the information necessary for shareholders to assess the Group's performance, business model and strategy. The significant issues that the Committee considered in relation to the financial statements and how these issues were addressed are set out in this Report.

One of the Audit Committee's key responsibilities is to review the Group's risk management and internal controls systems, including in particular internal financial controls. During the year, the Committee carried out a robust assessment of the principal risks facing the Group and monitored the risk management and internal control system on an on-going basis. The Committee also reviewed the effectiveness of both the external audit process as part of the continuous improvement of financial reporting and risk management across the Group.

COMMITTEE MEMBERSHIP AND MEETINGS

In the year to 30 November 2023 the Audit Committee consisted of Alain Gottesman (Committee Chairman) and Don Nicolson (Non-executive Chairman) and Fiona Rodford (Executive Vice Chair). The biographies of each can be found on pages 25 & 26. The Board considers that the Committee as a whole has an appropriate blend of commercial, financial and industry expertise to enable it to fulfil its duties. The Committee met three times during the year ended 30 November 2023 and all the audit committee members attended all the meetings.

The external auditors may also attend these meetings as required. The Company Secretary is the secretary of the Audit Committee.

The Chairman of the Audit Committee will meet with the external audit lead partner outside of committee meetings as required throughout the year.

The Audit Committee report deals with the key areas in which the Audit Committee plays an active role and has responsibility. These areas are as follows:

1) Financial Reporting and related primary areas of judgement;
2) The External Audit process; and
3) Risk Management and Internal controls.

FINANCIAL REPORTING AND RELATED PRIMARY AREAS OF JUDGEMENT

The Committee is responsible for monitoring the integrity of the Company's financial statements and reviewing the financial reporting judgements contained therein. The financial statements are prepared by a finance team with the appropriate qualifications and expertise.

In respect of the year ended 30 November 2023, the Committee reviewed:

- the Group's Interim Announcement for the six months ended 30 May 2023.
- the Annual Report and Financial Statements for the year ended 30 November 2023.

In carrying out these reviews, the Committee:

- reviewed the appropriateness of Company's accounting policies and monitored changes to and compliance with accounting standards on an on-going basis;
- discussed with management and the external auditors the critical accounting policies and judgements that had been applied;
- discussed a report from the external auditors at that meeting identifying the significant accounting and judgemental issues that arose in the course of the audit;
- considered the management representation letter requested by the auditors for any non-standard issues;
- discussed with management future accounting developments which are likely to affect the financial statements; and
- considered key areas in which estimates, and judgement had been applied in preparation of the financial statements.

The primary areas of judgement considered by the committee in relation to the Group's 2023 financial statements, and how they were addressed by the committee are set out below.

Significant risks considered by the Committee in relation to the financial statements	**Corresponding actions taken by the Committee to address the issues**
Valuation of Goodwill	The Committee reviewed the key judgements, operating and economic assumptions that underlie the assessment of whether there exists an impairment.
Going Concern	The Committee reviewed the key judgements, operating and economic assumptions that underlie the going concern assessment

EXTERNAL AUDIT PROCESS

The Audit Committee has responsibility for overseeing the Group's relationship with the external auditor including reviewing the quality and effectiveness of their performance, their external audit plan and process, their independence from the Group, their appointment and their audit fee proposals. Prior to commencement of the 2023 year-end audit, the Committee approved the external auditor's work plan and resources and agreed with the auditor's various key areas of focus. The Committee has met with the external auditor without management being present in the period since year end. This meeting provided the opportunity for direct dialogue and feedback between the Committee and the auditor. The Audit Committee considers the requirements and guidance for auditor rotation on an annual basis and makes recommendations as appropriate to the Company.

The Committee is responsible for ensuring that the external auditor is objective and independent. Gravita was appointed in 2024, following a formal tender process. This was the last formal tender process carried out by the Group. The Committee received confirmation from the auditor that they are independent of the Group under the requirements of the Financial Reporting Council's Ethical Standards for Auditors. The auditors also confirmed that they were not aware of any relationships between the Group and the firm or between the firm and any persons in financial reporting oversight roles in the Group that may affect their independence.

In order to further ensure independence, the Committee has a policy on the provision of non-audit services by the external auditor that seeks to ensure that the services provided by the external auditor are not, or are not perceived to be, in conflict with auditor independence. By obtaining an account of all relationships between the external auditor and the Group, and by reviewing the economic importance of the Group to the external auditor, the committee ensured that the independence of the external audit was not compromised. An analysis of fees paid to the external auditor, including non-audit fees, is set out in Note 5 to the 2023 Annual Report.

Risk Management and Internal controls

The Audit Committee has been delegated the responsibility for monitoring the effectiveness of the Group's system of risk management and internal control by the Board. The Audit Committee monitors the Group's risk management and internal control processes through detailed discussions with management and executive Directors, and the external audit reports, as part of both the year-end audit, all of which highlight the key areas of control weakness in the Group. All weaknesses identified by the external audit are discussed by the Committee with Group management and an implementation plan for the targeted improvements to these systems is put in place. As part of its standing schedule of business, the Committee carries out an annual risk assessment of the business to formally identify the key risks facing the Group.

This report was approved by the Board of Directors and signed on its behalf by:

Alain Gottesman
Chairman of the Audit Committee
6th of June 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 group and parent company and of the profit or loss of the group and parent company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The Directors are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZENOVA GROUP PLC

Opinion

We have audited the financial statements of Zenova Group Plc ('the Company') and its subsidiaries (together 'the Group') for the year ended 30 November 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Statement of Financial Position of the Parent Company, the Statement of Changes in Equity of the Parent Company and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted International Accounting Standards (IFRSs). The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 November 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards (IFRS);
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed 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 3 of the financial statements, which indicate that in a severe but plausible downside scenario the Group and Company may be reliant on future events, which are uncertain, to meet its ongoing working capital requirements. As stated in Note 3, these conditions along with other matters as set out in Note 3, indicate that a material uncertainty exists that may cast doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- obtaining and reviewing the directors' base case cash flow forecasts to 30 June 2025 against our understanding of the business, including considering the uncertainties associated with a projection of the Group's current and future trading prospects;
- assessing the reliability of forecasts by reference to historic projections and challenging management as to the basis of any variances and how these factors have been reflected in current projections;
- understanding the assumptions applied in a severe but plausible downside scenario and comparing this to actual revenue and expenditure in the recent period;
- verifying the actual cash balance to determine if the starting point for cash projections is appropriate;
- reviewing letters from directors in which they undertake to defer salary payments where required;
- performing a review of the Group's previously filed R&D submissions to determine the viability of future claims which are expected to be prepared on a similar basis;
- reviewing the Group's sales pipeline and terms of recent contracts and sales orders;
- testing the mathematical accuracy of management's forecasts;
- performing sensitivity analysis on the cash flow projections to assess potential cash requirements in a range of scenarios;
- comparing recent expenditure of the Group against projected expenditure;
- considering the Company's historic ability to raise funds through the issue of shares;
- considering the appropriateness of disclosures in relation to going concern in the financial statements.

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

Our approach to the audit

We tailored the scope of our audit work to ensure we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls and the industry in which the Group operates.

As Group auditor we carried out the audit of the Company financial statements and, in accordance with ISA (UK) 600, obtained sufficient appropriate evidence regarding the audit of the Group's subsidiaries Zenova Limited and Zenova Distribution Limited. These subsidiaries were deemed to be significant to the Group financial statements due to their size. The Group audit team performed the work on all entities. Component materiality for both subsidiaries was set at £45,000, which was lower than Group materiality.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

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

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill (Group) and investments in subsidiaries (Company) At 30 November 2023 the Group held goodwill with a carrying value of £2.3m (2022: £2.3m). The goodwill arose on the acquisition of 100% of Zenova Distribution Limited and management consider that this represents the value of distribution contracts and the opportunity to improve margins by bringing distribution into the Group. The Board perform an annual review of impairment indicators based on the available industry, economic and projected trading data available to them. The Board consider that the whole group constitutes a single Cash Generating Unit and perform the impairment test on this basis by reference to a value in use approach. The Company's net investment in subsidiaries at 30 November 2023 was £5.6m (2022: £4.8m) and comprised equity investments and short term loans. The recoverability of the net investment is tested by reference to the same cash flows as the goodwill impairment test at Group level.	The Directors' goodwill impairment review concluded that an impairment was not required. The same review concluded that the Company's net investment in subsidiaries were not impaired. We have assessed and understood the methodology used by the Directors in their impairment analysis and determined it to be reasonable. We have reviewed the size of the potential market for the Group's products and its prospects in light of technological advances in the market and the positioning of the Group's products in that marketplace. We reviewed the suitability of the discount rate applied in the model to rates applied by similar listed Groups. We reviewed shareholder registers to confirm ownership of the subsidiaries at year end. We reviewed the potential value of orders received in the period after the year end. We reviewed the adequacy of disclosures in respect of the Board's approach to the impairment assessments. Based on the procedures performed we noted no material misstatement in the carrying value of goodwill or intangible assets or material deficiency in the disclosures provided.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group	**Company**
Overall materiality	£84,000	£83,000
How we determined it	Based on 5% of the reported loss for the year.	Based on 1.5% of gross assets.
Rationale for benchmark used	The Group is at an early stage of its business strategy and incurs losses whilst it grows a customer base and develops awareness of its products. For this reason, a materiality measure based on the reported loss was considered the most appropriate.	The Company principally acts as a holding company and therefore gross assets is an appropriate measure.

We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce 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 £42,000 for the Group and £41,500 for the Company.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £5,000 for both the Group and Company audits as well as misstatements below this amount that, in our view, warranted reporting for qualitative reasons.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and 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 Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 42, 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 Group's and 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 Group or 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.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and Company through discussions with directors and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and Company including taxation legislation, anti-bribery laws, employment laws and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit/

We assessed the susceptibility of the Group and Company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing the available correspondence with HMRC and the Group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of this report

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

Joseph Brewer

(Senior Statutory Auditor)

For and on behalf of

Gravita II LLP (Statutory Auditor)
Aldgate Tower
2 Leman Street
London E1 8FA

6 June 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 30 November 2023 £'000	Year ended 30 November 2022 £'000
Revenue		278	175
Cost of sales	5	(216)	(67)
Gross profit		**62**	**108**
Administrative expenses	5&6	(2,107)	(2,130)
Operating loss		**(2,045)**	**(2,022)**
Finance cost	5	(18)	(10)
Loss before taxation		**(2,063)**	**(2,032)**
Taxation	7	376	-
Loss after taxation		**(1,687)**	**(2,032)**
Basic loss per share	8	(1.69p)	(4.79p)
Diluted loss per share	8	(1.69p)	(4.79p)

The notes on pages 56 to 82 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Company Number: 13403221	Note	30 November 2023 £'000	30 November 2022 £'000
ASSETS			
NON-CURRENT ASSETS			
Goodwill	9	2,346	2,346
Property, plant & equipment	10	6	9
Right of use asset	11	89	119
TOTAL NON-CURRENT ASSETS		**2,441**	**2,474**
CURRENT ASSETS			
Inventory	12	155	51
Trade and other receivables	13	153	292
Cash and cash equivalents	18	98	782
TOTAL CURRENT ASSETS		406	1,125
TOTAL ASSETS		**2,847**	**3,599**
LIABILITIES			
NON-CURRENT LIABILITIES			
Payables: Amounts falling due after one year	14	28	39
Lease Liability	15	93	121
TOTAL NON-CURRENT LIABILITIES		121	160
CURRENT LIABILTIES			
Payables: Amounts falling due within one year	14	668	194
		668	194
TOTAL LIABILITIES		**789**	**354**
NET ASSETS		**2,058**	**3,245**
EQUITY			
Share capital	16	106	94
Share premium	16	6,798	6,310
Other reserves		(68)	(68)
Share based payment reserve	17	73	161
Retained earnings		(4,851)	(3,252)
TOTAL EQUITY		**2,058**	**3,245**

The notes on pages 56 to 82 are an integral part of these financial statements.

The financial statements on pages 50 to 55 were approved and authorised for issue by the Board on the 6th of June 2024 and are signed on its behalf.

Thomas Melchior

Director

6th of June 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 30 November 2023 £'000	Year ended 30 November 2022 £'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period after tax	(1,687)	(2,032)
Adjustment for :		
Finance costs	18	10
Depreciation	33	34
Adjustments for changes in working capital		
Inventory	(105)	(51)
Trade and other receivables	139	(119)
Rights of use asset	-	30
Trade and other payables	464	(51)
Lease Liability	(27)	27
Interest paid	(18)	-
NET CASH FLOW USED IN OPERATING ACTIVITIES	(1,183)	(2,152)
CASH FLOW USED IN INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1)	(1)
NET CASH FLOW USED IN INVESTING ACTIVITIES	(1)	(1)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	500	-
NET CASH FLOW FROM FINANCING ACTIVITIES	500	-
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(684)	(2,153)
CASH AND CASH EQUIVALENTS AT THE START OF YEAR/PERIOD	**782**	**2,936**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	**98**	**782**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Share Based Payment Reserve	Other Reserve	Accumulated Losses	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 30 November 2021	**94**	**6,310**	**161**	**(68)**	**(1,218)**	**5,279**
Loss and total comprehensive loss for the period	-	-	-	-	(2,032)	(2,032)
Balance at 30 November 2022	**94**	**6,310**	**161**	**(68)**	**(3,252)**	**3,245**
Transfer arising from warrants exercised	-	-	(88)	-	88	-
Share Issue	12	488	-	-	-	500
Loss and total comprehensive loss for the period	-	-	-	-	(1,687)	(1,687)
Balance at 30 November 2023	**106**	**6,798**	**73**	**(68)**	**(4,851)**	**2,058**

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

Company Number: 13403221	Notes	30 November 2023 £'000	30 November 2022 £'000
ASSETS			
NON-CURRENT ASSETS			
Investments	20	2,776	2,776
Property, plant and equipment		2	2
TOTAL NON-CURRENT ASSETS		2,778	2,778
CURRENT ASSETS			
Trade and other receivables	13	2,838	2,058
Cash and cash equivalents	18	45	692
TOTAL CURRENT ASSETS		2,883	2,750
TOTAL ASSETS		**5,661**	**5,528**
LIABILITIES			
CURRENT LIABILTIES			
Payables: Amounts falling due within one year	14	390	141
TOTAL LIABILITIES		**390**	**141**
NET ASSETS		**5,271**	**5,387**
EQUITY			
Share capital	16	106	94
Share premium	16	6,798	6,310
Share based payment reserve	17	73	161
Retained earnings		(1,706)	(1,178)
TOTAL EQUITY		**5,271**	**5,387**

In publishing the parent company financial statements together with the Group financial statements, the Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form a part of these approved financial statements. The loss for the year for the Company is £616k (year ended 30 November 2022 £642k).

The financial statements on pages 50 to 55 were approved and authorised for issue by the Board on 6th of June 2024, and signed on its behalf.

Thomas Melchior

Director

6th of June 2024

STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY

	Share Capital	Share Premium	Share based payment reserve	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000	£'000
Balance at 30 November 2021	**94**	**6,310**	**161**	**(536)**	**6,029**
Loss and total comprehensive loss for the period	-	-	-	(642)	(642)
Balance at 30 November 2022	**94**	**6,310**	**161**	**(1,178)**	**5,387**
Transfer arising from warrants exercised	-	-	(88)	88	-
Share issue	12	488	-	-	500
Loss and total comprehensive loss for the period	-	-	-	(616)	(616)
Balance at 30 November 2023	**106**	**6,798**	**73**	**(1,706)**	**5,271**

NOTES TO CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS

1. General Information

The principal activity of Zenova Group plc and its subsidiary and associate companies (collectively "Zenova Group" or "Group") is development, manufacture, and sale of fire-retardant systems.

Zenova Group plc is the Group's ultimate Parent Company ("the parent company"). It is incorporated in England and Wales and domiciled in England. The address of its registered office is 172 Arlington Road London NW1 7HL. Zenova Group plc shares are admitted to trading on the London Stock Exchange's AIM market. Zenova Group Plc is a public limited company, limited by shares.

2. Basis of Preparation

The functional and presentation currency is the Pound Sterling.

Consolidated Financial Statements

These consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards. IFRS includes Interpretations issued by the IFRS Interpretations Committee.

The consolidated financial statements have been prepared under the historical cost convention, apart from financial assets and financial liabilities are recorded at fair value through the profit and loss.

The preparation of financial statements in compliance with UK-adopted IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in applying the Zenova's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements are disclosed in more detail and the critical accounting judgements are described in Note 3.

Parent Company Financial Statements

The parent company financial statements of Zenova Group plc have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006, as applicable to Companies using FRS 101.

The preparation of the parent company's financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the associated accounting policy in Note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of the parent company financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of: (i) paragraph 79(a)(iv) of IAS 1; (ii) paragraph 73(e) of IAS 16 Property, plant and equipment; (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements': 10(d), (statement of cash flows) 16 (statement of compliance with all IFRS), 38A (requirement for minimum of two primary statements, including cash flow statements), 38B-D (additional comparative information), 111 (cash flow statement information), and 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered between two or more members of the Group, provided that any subsidiary which is party to the transaction is wholly owned.
- The requirements of paragraph 17 of IAS 24, 'related party transactions'

The accounting policies set out below have been applied consistently across the Group and to all periods presented in these financial statements.

3. Significant accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies adopted in preparation of these financial statements are set out below. These policies have been consistently applied to all periods, unless otherwise stated.

Going concern

In the year to 30 November 2023 the Group reported a loss after taxation of £1.69m. Net current liabilities at 30 November 2023 were £0.26m.

The Group assesses at each reporting date whether it is a going concern for a period of at least 12 months. In making this assessment management considers:

(a) the current working capital position and operational requirements;
(b) the timing of expected sales receipts and completion of existing orders;
(c) the sensitivities of forecast sales figures over the going concern review period;
(d) the timing and magnitude of planned expenditure; and
(e) the level of indebtedness of the Group and timing of when such liabilities may fall due, and accordingly the working capital position over the next 12 months.

Management considers in detail the going concern assessment, including the underlying assumptions, risks and mitigating actions to support the assessment. The assessment is subject to estimation uncertainty and there is judgement in determining underlying assumptions.

There are several scenarios which management have considered that could impact the financial performance of the Group. These include:

(a) Disruption of the supply chain, and any delays in the supply of raw material that may impact the ability of the Group to produce its products.
(b) Delays in testing and certification required for geographical and sector specific expansion.
(c) Failure of the sales contracts to be realised and expected sales growth to fall below expectations.
(d) Changes in legislation that may increase lead times in production or testing.
(e) Intellectual property on which the Group may be reliant to keep its competitive advantage could be challenged.
(f) Significant negative market events or changes in investor appetite which could delay or hinder any planned capital raising.

In performing the going concern assessment, management have prepared five scenarios ranging from an upside scenario to a severe but plausible downside scenario. The scenarios make varying assumptions about the speed at which the Group will secure new orders based on probabilities assigned to the current sales pipeline. In the scenario considered to reflect a severe but plausible downside, the Directors have profiled cash balances over the coming 12 months on the basis that sales continue at levels achieved in FY23 and that new contracts are not won or are delayed.

If the cash receipts from sales are lower than anticipated the Group has identified that it has available to it a number of contingent actions, that it can take to mitigate the impact of a downside scenario. In a severe but plausible downside scenario the Group will be required to draw on one or more of these mitigating actions to meet the Group's projected cash requirements in the going concern review period.

These mitigating measures include seeking additional fundraising through the issue of new shares, obtaining cash credits in respect of R&D expenditure and through achieving further cost savings.

In respect of any potential fundraising, after consulting the Company's brokers the Directors are confident of raising sufficient net proceeds to cover the projected working capital requirements during the review period.

In respect of R&D tax credits, the Board notes the cash recovered during the year in respect of R&D claims relating to the years ended 30 November 2021 and 30 November 2022. Whilst any future R&D claim is subject to review and approval by HMRC, the Directors are confident of the merits of a future R&D claim in respect of expenditure incurred in the year to 30 November 2023.

The key element of cost saving mitigations is in respect of Director remuneration. Since December 2022, all Directors as well as certain employees and consultants have agreed to defer 50% of their contractual salaries until such time as the Group achieves a set level of monthly revenue sufficient to enable to it make full or partial repayment. The Company has received confirmations from all Directors that they are willing to defer 100% of their salaries if necessary to support the Group's cash requirements during the going concern review period.

The Directors are confident that the Group will be able to meet its ongoing working capital requirements from new orders, but also consider that in a severe but plausible downside scenario there are sufficient options to enable the Group to continue to meet its cash requirements should that scenario arise.

In conclusion, having regard to the existing and future working capital position and projected sales the Directors are of the opinion that the application of the going concern basis is appropriate, however for the reasons noted above, they acknowledge the existence of a material uncertainty which may cast significant doubt over the Group's and Company's ability to continue in operation.

Critical accounting estimates and judgements

The Group makes certain estimates and assumptions in the preparation of financial statements. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable that best reflects the conditions and circumstances that exist and the reporting date.

The principal estimates are judgements that could have effect upon the Group's financial results are the valuation of investments, goodwill impairment and recoverability of receivables including loans to subsidiaries. Further details of these estimates and judgements are set out in the related accounting policies for these items.

Revenue recognition

The Group recognises revenue on the transfer of goods and services in accordance with the contractual terms entered into with clients.

The revenue recognition policy is that revenue is recognised when goods are received by the customer. Typical payment terms provide for payment are 30 days after delivery.

Segment reporting

IFRS 8 requires that an entity disclose financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments. Operating segments are identified on the basis of internal reports that are regularly reviewed by the Board to allocate resources and to assess performance. Using the Group's internal management reporting as a starting point the single reporting segment set out in Note 4 has been identified.

Foreign currency transaction and balances

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are included in statement of total comprehensive income for the period in operation expenses.

Tax

The tax expenses for the period represents the sum of the tax currently payable and the deferred tax charge.

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. 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.

The carrying amount of deferred tax assets are reviewed at each reporting 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 assets and liabilities are offset where there is a legally enforceable right to set of current tax assets against current tax liabilities and when the relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Goodwill

The Group's goodwill relates entirely to the acquisition of Zenova Distribution Limited

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is evidence that it may be impaired. Goodwill is denominated in the currency of the acquired entity and revalued to the closing exchange rate at each reporting period date.

Details of significant judgements applied in the goodwill impairment test are given in Note 9.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant, and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation of items of property, plant and equipment, is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life.

The estimated useful lives of property, plant and equipment are as follows:

- Office equipment - 3-5 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Such investments are those with original maturities of three months or less.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale. The First In First Out (FIFO) cost method is used by the Group.

Leases

The Group recognises a right-of-use asset and corresponding liability at the date at which a leased asset is made available for use by the Group, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities are measured at the present value of the future lease payments, excluding any payments relating to non-lease components. Future lease payments include fixed payments, in-substance fixed payments, and variable lease payments that are based on an index or a rate, less any lease incentives receivable. Lease liabilities also take into account amounts payable under residual value guarantees and payments to exercise options to the extent that it is reasonably certain that such payments will be made.

The payments are discounted at the rate implicit in the lease or, where that cannot be readily determined, at an incremental borrowing rate.

Right-of-use assets are measured initially at cost based on the value of the associate lease liability, adjusted for any payments made before inception, initial direct costs and an estimate of the dismantling, removal and restoration costs required in the terms of the lease.

The Group presents right-of-use assets in 'non-current assets' in the consolidated statement of financial position. Subsequent to initial recognition, the lease liability is reduced for payments made and increased to reflect interest on the lease liability (using the effective interest method).

The related right-of-use asset is depreciated over the term of the lease or, if shorter, the useful economic life of the leased asset. The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. Where the lease contains a purchase option the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised.

The Group remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment. Investments are reviewed for impairment at the balance sheet date in addition to whenever events or circumstances indicate that the carrying amount may not be recoverable.

Financial instruments

Financial assets, including trade and other receivables and cash and bank balances are initially recognized at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for lifetime expected credit losses based on past and forward-looking information. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognized in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Reserves

- **Share capital**

  Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

- **Share premium**

  Share premium represents the premium over nominal value at which shares are issued less costs associated with the issue of shares.

- **Other reserves**

  Other reserves represent the merger reserve created on acquisition of Zenova Limited as part of the share reorganisation.

- **Retained earnings**

  Retained earnings represents the company's profits and losses which have accumulated year on year since the Company began trading.

- **Share based payment reserve**

  The share based payment reserve reflects fair value of share based payments in scope of IFRS 2 in respect of instruments which have not expired, lapsed or been exercised at the reporting date.

Equity settled transactions

The Group has entered into equity settled share-based payments as consideration for services received. Equity settled share-based payments are measured at fair value at the date of grant.

The Group has measured the fair value by reference to the equity instruments issued as it is not possible to measure reliably the fair value of the services received.

The fair value of share options and warrants are recognised in the profit and loss over the vesting period by reference to the expected number of instruments expected to vest at the reporting date.

Basis of consolidation

The Group financial statements consolidate those of Zenova Group Plc (the "Company") and its subsidiaries. The parent company financial statements present information about the Company as a separate entity and not about its group.

The consolidated financial statements incorporate the financial information of Zenova Group Plc and its subsidiaries Zenova Limited and Zenova Distribution Limited.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. Further to this, subsidiaries are entities for which the Group has the power to govern the financial and operating policies and consistent accounting policies have been adopted across the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The impact of new IFRSs adopted during the year

During the year the Group adopted the following IFRS amendments and standards for the first time:

- Onerous contracts (Amendments to IAS 37)
- Property, plant and equipment (Amendments to IAS 16)
- Annual Improvements 2018-2020 cycle (IFRS 1, IFRS 9, IFRS 16 and IAS 41), and
- References to Conceptual Framework (Amendments to IFRS 3)

New standards, interpretations and amendments not yet effective

The following IFRSs and amendments have been issued by the IASB but are not effective until a future period.

- IFRS 17 Insurance Contracts and Initial Application of IFRS 17 and IFRS 9, Comparative Information (Amendments to IFRS 17)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax Relating to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- IFRS 16 Leases (Amendment, Liability in a Sale and Leaseback) (not yet endorsed by the UK Endorsement Board)

- IAS 1 Presentation of Financial Statements (Amendments to Classification of Liabilities as Current or Non-current) (not yet endorsed by the UK Endorsement Board)
- IAS 1 Presentation of Financial Statements (Amendment to Non-current liabilities with covenants).

The Board are currently assessing the impact of these new amendments on the group's financial reporting for future periods. However, the Board does not expect any of the above to have a material impact future results.

4. Segment information

At present the Group is considered to have only one segment being the sale and distribution of fire safety products.

Revenue

The revenue for the year ended 30 of November was £278k (2022: £175k).

Revenue analysed by geographical market:

Revenue analysed per geographical market	**Year ended 30 November 2023 £'000**	**Year ended 30 November 2022 £'000**
UK	108	175
Europe	115	-
Rest of the world	55	-
Total Revenue	278	175

There were 5 customers (2022: 4 customers) individually that comprised more than 10% of the revenue. These customers contributed revenue of £238k (2022: £147k)

5. Expenses by nature

Group	**Year ended 30 November 2023 £'000**	**Year ended 30 November 2022 £'000**
Operating loss is stated after charging/(crediting):		
Cost of materials sold	216	67
Fees payable to Company's auditors	30	59
Professional fees	211	209
Admin Expenses	41	54
Other costs	94	6
Consultancy fees	274	235
Travel & entertainment	62	79
Staff Costs	621	795
IT, Telephones and Communication	42	17
Marketing & Material	54	153
Rent & Rates	56	65
R&D	505	398

Depreciation	33	34
Other staff costs	84	26
Finance cost	18	10
Cost of sales, administrative and operational expenses	2,341	2,207

The analysis of auditors' remunerations is as follows:

Group	**Year ended 30 November 2023 £'000**	**Year ended 30 November 2022 £'000**
Fees payable to the Company's auditors for services to the group:		
Audit of the group and parent financial statements	30	44
Total audit services	30	44

6. Directors and employees

The Employee benefit expenses during the year were as follows:

Group	**Year ended 30 November 2023 £'000**	**Year ended 30 November 2022 £'000**
Wages and salaries	577	709
National insurance	37	78
Pension contributions	7	8
	621	**795**

The monthly average number employed during the year were as follows:

Group	**Year ended 30 November 2023**	**Year ended 30 November 2022**
Directors	5	5
Employees	6	3
	11	5

Company	**Year ended 30 November 2022**	**Period ended 30 November 2022**
Directors	5	5
Employees	1	1
	6	6

Key management personnel, as defined by IAS 24 "Related party disclosures" have been identified as the Board of Directors. Detailed disclosures of Directors remuneration, Directors' transactions, and Directors interests and share options for those Directors who served during the year are set out below:

Group	Year ended 30 November 2023 £'000	Year ended 30 November 2022 £'000
Salary	284	372
Consultancy Fees	164	40
Aggregate emoluments payable to directors	448	412

The highest paid director's emoluments were as follows:

Group	Year ended 30 November 2023 £'000	Year ended 30 November 2022 £'000
Salary	103	125
Total amount of emoluments payable	103	125

Remuneration in respect of the Directors was as follows:

Year ended 30 November 2023	Salary £'000	Consultancy Fees £'000	Benefits £'000	Share Options £'000	Total £'000
Executive Directors					
Tony Crawley	102	-	1	-	103
Thomas Melchior	-	99	-	-	99
Don Nicolson	72	-	-	-	72
	174	99	1	-	274
Non-Executive Directors					
Alain Gottesman	35	-	-	-	35
Fiona Rodford	39	-	-	-	39
Etrur Albani	35	65	-	-	100
	109	65	-	-	174
Total	**283**	**164**	**1**	**-**	**448**

Benefits represents pension contributions. The number of directors to whom pension benefits accrued in the year was 1 (2022: 1).

Year ended 30 November 2022	Salary £'000	Consultancy Fees £'000	Benefits £'000	Share Options £'000	Total £'000
Executive Directors					
Tony Crawley	125	-	-	-	125
Thomas Melchior	-	40	-	-	40
Don Nicolson	80	-	-	-	80
	205	40	-	-	245
Non-Executive Directors					
Alain Gottesman	35				35
Fiona Rodford	35				35
Etrur Albani	97				97
	167	-	-	-	167
Total	**372**	**40**	**-**	**-**	**412**

During the year, and continuing as at date of approval of these financial statements, certain directors have agree to defer salaries at a rate of 50% until such time as the Group has sufficient cash to repay outstanding balances and resume full salary payment by referenced to an agreed revenue target. In May 2024 the Directors undertook to defer 100% of future salary payments if the Group so requires as part of the Group's cash preservation strategy. At the year end £158,767 (2022: Nil) was payable to persons who are directors at the balance sheet date in respect of deferred salaries. At that date £91,459 (2022: Nil) was payable to former directors in respect of deferred salaries.

No share options were awarded to directors in the year (2022: none) and no directors exercised share options in the year (2022: none).

7. Taxation

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the Group as follows:

	Year ended 30 November 2023 £'000	Year ended 30 November 2022 £'000
Reconciliation of effective tax rate		
Loss before income tax	2,063	2,032
Tax calculated at applicable tax rates of 19%	309	386
Tax effect of expenses that are not deductible in determining taxable profit	-	-
Deferred tax asset not recognised in respect of losses	(309)	(386)
R&D and Corporate tax credits received during the year	(376)	-
Total tax charged / (credit) for the year	(376)	-

With effect from 1 March 2023 the headline rate of UK tax rose to 25%, with a small profits rate of 19% and marginal relief in between. As the company has not yet reported a profit, the small profits rate has been applied for purpose of the tax reconciliation. Accordingly, the Company's losses for this accounting year are taxed at an effective rate of 19% (2022 – 19%).

As at 30 November 2023, the group had estimated tax losses of £3.9m (2022: £3.3m) in respect of which a deferred tax asset of £1m (2022: £0.8m) has not been recognised due to uncertainty over the availability and timing of future taxable profits. The losses have no expiry date.

8. Earnings per share

	Year ended 30 November 2023 £'000	Year ended 30 November 2022 £'000
Loss for the year used for the calculation of basic EPS	1,687	2,032
Number of shares		
Weighted average number of ordinary shares for the purpose of basic EPS	99,847,978	42,408,348
Effect of potentially dilutive ordinary shares	-	-
Weighted average number of ordinary shares for the purpose of diluted EPS	99,847,978	42,408,348
Loss per share		
Basic	(1.69p)	(4.79p)
Diluted	(1.69p)	(4.79p)

Basic earnings per share is calculated by dividing the loss attributable to owners of the Group by the weighted average number or ordinary shares in issue during the year.

9. Goodwill

Group	Goodwill £'000
Net Book Value	
At 1 December 2021	2,346
Additions	-
At 30 November 2022	2,346
Additions	-
At 30 November 2023	2,346

Goodwill represents the access to new distribution networks arising from the group's acquisition of Zenova Distribution Limited. Goodwill is allocated to a single cash generating unite which is the entire Zenova group. The directors performed an impairment test by reference to value in use, using a discounted cash flow model. In performing this assessment, the directors have made certain assumptions about the ability of the group to win new orders and grow its distribution channels. The impairment test assumes a strong growth in revenues and profits in excess of growth achieved during the year. Based on the signing of new distribution agreements, the award of additional certifications and the signing of new orders, as well as review of the group's sales pipeline and marketing strategy, the Board are satisfied that the assumptions used are reasonable and achievable. The Board have also had regard to the size of the global market for its products and the nature of the group's competitive advantages. The Board's forecasts cover a period of 5 years and apply a discount rate of 14% which is derived discount rates applied by companies with similar risk profiles. The Board are conscious that if sales do not grow as anticipated, future goodwill impairment might result in impairments being recorded. The impairment test resulted in significant headroom above the carrying value of the assets tested.

10. Property Plant and Equipment

Group	Office Equipment £'000	Total Property, Plant and Equipment £'000
Cost		
At 1 December 2021	9	9
Additions	4	4
At 30 November 2022	13	13
Additions	1	1
At 30 November 2023	14	14
Depreciation		
At 1 December 2021	1	1
Charge for the year	3	3
At 30 November 2022	4	4
Charge for the year	4	4
At 30 November 2023	8	8
Net book value		
At 1 December 2021	8	8
At 30 November 2022	9	9
At 30 November 2023	6	6

11. Right of use asset

Group	As at 30 November 2023 £'000	As at 30 November 2022 £'000
Cost	157	157
Depreciation		
Opening balance	38	8
Charge for the year	30	30
Closing balance	68	38
Net book value	149	119

12. Inventory

Group	As at 30 November 2023 £'000	As at 30 November 2022 £'000
Inventory	155	51

The cost of inventories recognised as expense in the year was £67,393 (2022: £216,583).

13. Trade and other receivables

Group	As at 30 November 2023 £'000	As at 30 November 2022 £'000
Current assets		
Trade receivable	165	12
Less: provision for credit loss on receivables	99	6
Trade receivables (net)	66	6
VAT Recoverable	-	14
Other receivables	87	272
Total current receivables	153	292

Company	As at 30 November 2023 £'000	As at 30 November 2022 £'000
Current assets		
Amounts due from group companies (Note 21)	2,817	2,029
VAT recoverable	-	10
Other	21	19
	2,838	2,058

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and liquidity risk can be found in Note 18.

Trade receivables are disclosed net of a provision for bad and doubtful debts. The provision for bad and doubtful debts is based on specific risk assessment and reference to past default experience. Further details are included in Note 18.

The Board have assessed the recoverability of the Company's investment in subsidiaries as well as loans receivable. As the same projected cash flows are used to perform the group goodwill impairment test, the Board consider that the disclosure in Note 9 applies similarly to their assessment of impairment on intercompany net investments.

14. Trade and other payables

Group	As at 30 November 2023 £'000	As at 30 November 2022 £'000
Amounts falling due after one year		
Bank Loan	28	39
	28	39
Amounts falling due within one year		
Trade Payables	379	75
Accruals	39	75
Other payables	250	44
	668	194

Company	As at 30 November 2023 £'000	As at 30 November 2022 £'000
Trade Payables	217	51
Accruals	39	67
Other Payable	134	23
	390	141

All trade and other payables are GBP denominated. All foreign currency denominated payables have been translated to GBP at the exchange rate prevailing at 30 November 2023 and 2022.

The group holds a Bounce Bank Loan on which interest of 2.5% accrues and which is repaid in monthly instalments over 72 months from receipt.

The directors consider that the carrying amount of trade and other payables approximates their fair value.

15. Leases

Set out below are the carrying amount of the lease liabilities and the movements in the period.

Group	As at 30 November 2023 £'000	As at 30 November 2022 £'000
At start of the period	121	148
Additions	-	-
Interest expense	90	11
Rent payments made in year	(38)	(38)
At 30 November	93	121

As at 30 November 2023	Carrying amount £'000	Contractual cash flows £'000	6 months or less £'000	6-12 months £'000	1-2 years £'000	2-5 years £'000
Lease liability	93	114	19	19	38	38

As at 30 November 2022	Carrying amount £'000	Contractual cash flows £'000	6 months or less £'000	6-12 months £'000	1-2 years £'000	2-5 years £'000
Lease liability	119	152	19	19	38	76

16. Share capital

Group and Company	2023 Number	2022 Number	Share capital 2023 £'000	Share capital 2022 £'000	Share premium 2023 £'000	Share premium 2022 £'000
Issued called up and fully paid ordinary shares of £0.001 each						
At 1 December	93,384,053	93,384,053	94	94	6,310	6,310
Issued in the year	12,966,920	-	12	-	488	-
At 30 November	106,350,973	93,384,053	106	94	6,798	6,310

17. Share based payment reserve

During the periods presented, the Group had in issue two classes of share-based payments being warrants issued to investors on a one-for-one bases as part of a subscription for shares in placings, and warrants issued to advisors in exchange for services related to the Group's Initial Public Offering ('IPO').

No share options or warrants have been issued to Directors or employees as remuneration for their services as Directors or Employees.

All share payments in issue are therefore termed as 'warrants'.

Where warrants are issued to investors as part on an issue of shares, the Board consider that no services are received in exchange and therefore such warrants are outside the scope of IFRS 2. No fair value is assigned to these warrants as they are considered as incidental to a purchase of a share.

Where warrants were issued to advisors at the time of the Group's IPO, the fair value of those services was determined by reference to the Black-Scholes model and the fair value was recorded in profit or loss over the vesting period. All warrants vested immediately other than those issued to Don Nicolson which vest over 3 years.

The fair value of share options and warrants are recognized in profit or loss over the vesting period by reference to the expected number of instruments expected to vest at the reporting date. All warrants in issue are equity-settled at a fixed exercise price. All warrants have a fixed expiry date.

Where warrants are exercised, lapse or expire, the Group's policy is to transfer the fair value of those warrants from the share-based payment reserve to accumulated losses.

Group and Company	As at 30 November 2023 £'000	As at 30 November 2022 £'000
At 1 December	161	161
Transferred to retained earnings in respect of exercised warrants	(88)	-
At 30 November	73	161

Group and Company	As at 30 November 2023		As at 30 November 2022	
	Average exercise price £	Number of options	Average exercise price £	Number of options
At 1 December	£0.09	19,094,794	£0.001	9,338,405
Issued	£0.10	12,500,000	£0.181	9,756,389
Exercised	£0.001	(466,920)	-	-
Lapsed	£0.19	(7,578,944)	-	-
At 30 November	£0.07	23,548,930	£0.093	19,094,794

Of the 23,548,930 outstanding warrants and options (2022: 19,094,794 options), 23,548,930 options (2022: 11,097,240) were exercisable.

466,920 share options were exercised in the period 2023 (2022 – nil). 7,578,944 options lapsed or were not exercised in the year 2023 (2022 – nil).

Share options and warrants outstanding at the end of the period have the following expiry dates and exercise prices:

Warrant Holder	Number of shares	Exercise Price	Date of issue	Expiry date
Rockmasters Ltd	9,338,405	£0.001	18/09/2020	18/09/2027
Don Nicolson	526,315	£0.19	04/03/2021	04/03/2024
Brandon Hill Capital Limited	1,184,210	£0.19	22/07/2021	22/07/2024
Anthony Laughton	250,000	£0.10	14/06/2023	14/06/2026
Landquest Group International	375,000	£0.10	14/06/2023	14/06/2026
Gervaise Heddle	1,250,000	£0.10	14/06/2023	14/06/2026
Christopher Shrubb	625,000	£0.10	14/06/2023	14/06/2026
Christopher Wilson	250,000	£0.10	14/06/2023	14/06/2026
Ssas Johnson Fellowes	250,000	£0.10	14/06/2023	14/06/2026
Vanessa Bennett	125,000	£0.10	14/06/2023	14/06/2026
Matthew Pactat	250,000	£0.10	14/06/2023	14/06/2026
Timothy Pay	125,000	£0.10	14/06/2023	14/06/2026
Big Island Holdings Limited	1,250,000	£0.10	14/06/2023	14/06/2026
SI Capital	75,000	£0.10	14/06/2023	14/06/2026
Clive Roberts	375,000	£0.10	14/06/2023	14/06/2026
Adrian Hargrave	250,000	£0.10	14/06/2023	14/06/2026
GIS	550,000	£0.10	14/06/2023	14/06/2026
Andy Muir	2,500,000	£0.10	14/06/2023	14/06/2026
Hobart Capital Markets	250,000	£0.10	14/06/2023	14/06/2026
Subtotal	19,798,930			

Deferred subscription agreement	Number of shares	Exercise Price	Date of issue	Expiry date
Amati Global Investors	3,750,000	£0.10	14/06/2023	14/06/2026
Subtotal	3,750,000			

Grand total	23,548,930	

The warrants issued in the period were considered outside the scope of IFRS 2 as no services were received.

18. Capital and Financial risk management

Capital risk management

The group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital based on the gearing ratio and net debt/cash. This ratio is calculated as total borrowings divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus total borrowings.

The gearing ratios at 30 November 2023 and 30 November 2022 are as follows:

Group	**As at 30 November 2023 £'000**	**As at 30 November 2022 £'000**
Cash and cash equivalents	98	782
Net cash	98	782
Loan	28	39
Total equity	2,058	3,245
Total capital	2,058	3,245
Gearing ratio	**0,0136**	**0,0123**

Company	**As at 30 November 2023 £'000**	**As at 30 November 2022 £'000**
Cash and cash equivalents	45	692
Net cash	45	692
Total equity	5,271	5,387
Total capital	5,271	5,387
Gearing ratio	-	-

Financial risk management

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

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. Risk management is carried out by the board of directors. The Board has established polices and principles for overall risk management covering specific areas such as foreign exchange risk, credit risk and investment of excess liquidity.

Credit risk

Credit risk is managed on a group basis. The Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, considering its financial position, past experience and other factors. Sales to retail customers are settled in cash. For payment terms that are not met the Board raises credit loss provisions reflective of the assessed exposure to credit risk.

The carrying amount of financial assets represents the maximum exposure. The maximum exposure to credit risk at the reporting date was £142k (2022 – £1074k). Financial assets are assessed for impairment annually and a provision for bad debt of £99k has been recognised in 2023 (2022–nil).

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of inventory
- cash and cash equivalents

While cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group mitigates banking sector credit risk through the use of banks with no lower than a single A rating.

No credit loss provision has been raised by the company in respect of its loans to subsidiaries as a result of the assessment described in Note 9. Intercompany loans are interest free and repayable on demand, but the parent has undertaken not to recall such loans until the subsidiary is in a position to repay without affecting the ability of the subsidiary to meet its projected working capital requirements.

Foreign exchange risk

The Group operates primarily in the United Kingdom and is only exposed to very limited amounts of foreign exchange risk arising from various currency exposures.

There is no cash denominated in non-GBP currency as at 30 November 2023 or 2022.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to the group treasury.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

The following are the contractual maturities of financial liabilities for the Group as at 30 November 2023 and 30 November 2022 based upon contractual cash flows:

As at 30 November 2023	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Trade and other payables	696	696	668	-	28	-
	696	696	668	-	28	-

As at 30 November 2022	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Trade and other payables	233	233	194	-	39	-
	233	233	194	-	39	-

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium-, long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cashflows, and by matching the maturity profiles of financial assets and liabilities.

Fair Values

The directors have reviewed the financial statements and have concluded that, there are no significant differences between the book values and the fair values of the financial assets and financial liabilities of the Group and Company as at 30 November 2023 and 30 November 2022.

19. Interests in other undertakings

	Ownership	Date incorporated	Registered office	Place of incorporation	Principal Activity
Zenova Limited	100%	20 Jan 2020	172 Arlington Road, London, England, NW1 7HL	England and Wales	Operating Company
Zenova Distribution Limited	100%	16 Sep 2020	172 Arlington Road, London, England, NW1 7HL	England and Wales	Distribution Company

20. Investments

Company	**As at 30 November 2023 £'000**	**As at 30 November 2022 £'000**
Shares in subsidiary undertakings	2,776	2,776
	2,776	2,776

21. Related party transactions

The executive directors are also considered key management as defined by IAS 24 'Related Party Disclosures'. The remuneration of key management is considered in Note 6.

The Company financial statements of Zenova Group Plc include amounts receivable from its subsidiary undertakings Zenova Limited and Zenova Distribution Limited of £2,892k (2022 – £2,029k) and amounts payable of £75k (2022 – £Nil). Amounts provided to Zenova Limited and to Zenova Distribution Limited relate to the provision of funding for operations and capital expenditure. All intercompany loans are interest free, unsecured and repayable on demand.

22. Contingent liabilities

At the year end, the company is the party to an active legal claim and has identified a further potential claim arising under a historic contract. In respect of both matters, the Board considers that the timing and amount of any outflow is uncertain and so represents a contingent liability at the year end.

23. Controlling parties

In the opinion of the Directors, there is no single ultimate controlling party.

24. Post Balance Sheet Events

On 15 March 2024 the Group issued 33,875,000 new ordinary shares at 2p per share raising gross proceeds of £677,500 gross through a subscription, earmarked for bolstering working capital.

NOTICE OF GENERAL MEETING

Notice is given that the Annual General Meeting of Zenova Group PLC (the "Company") will be held at the offices of Zenova Group Plc, 172 Arlington Road, London NW17HL on 2nd July 2024 at 10.00am to consider the following resolutions, of which resolutions 1 to 5 will be proposed as ordinary resolutions and resolution 6 will be proposed as a special resolution:

ORDINARY RESOLUTIONS

1. To receive and adopt the Company's Annual Report and Accounts for the financial year ended on 30 November 2023, and the Directors' Report and the Independent Auditors' Report to those accounts.
2. To re-elect Ms. Fiona Rodford as a director, who retires by rotation and has offered herself up for re-election. Under the provisions of the Articles of Association of the Company one third of the Board is required to retire by rotation at the AGM and offer themselves for election by shareholders.
3. To re-elect Mr, Thomas Melchior as a director, who retires by rotation and has offered himself up for re-election. Under the provisions of the Articles of Association of the Company one third of the Board is required to retire by rotation at the AGM and offer themselves for election by shareholders.
4. To re-appoint Gravita II LLP as auditor of the Company and to authorise the directors to determine their remuneration.
5. That the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") and in substitution for all existing authorities under that section, to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights") up to an aggregate nominal amount of £50,000 during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the next annual general meeting of the Company or on the close of business on the date that is fifteen (15) months after the date on which this resolution is passed, whichever is earlier, and provided further that the Company shall be entitled before such expiry to make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant rights under such offer or agreement as if this authority had not expired.

SPECIAL RESOLUTIONS

6. THAT subject to the passing of resolution 5 above, the directors be empowered under section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash under the general authority already given as if sub-section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

a) the allotment of equity securities in connection with an offer of such securities to holders of ordinary shares where the equity securities for which ordinary shares are respectively entitled to subscribe are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange; and
b) the allotment (otherwise than under sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £50,000;

and so that such power (unless previously revoked or varied) shall expire at the end of next year's annual general meeting, (or if earlier on the close of business on the date that is fifteen (15) months after the date on which this resolution is passed provided that the directors may, before the power expires, make an offer or enter into an agreement which would or might require equity securities to be allotted after such power expires.

By Order of the Board

Fiona M Rodford.

Fiona Rodford

Chair

6th June 2024

Registered Office:

172 Arlington Road

London

NW1 7HL

Notes

1. Right to attend, speak and vote

If you want to attend, speak and vote at the AGM you must be on the Company's register of members by 6.00pm on 28th June 2024. This will allow us to confirm how many votes you have on a poll. Changes to the entries in the register of members after that time, or, if the AGM is adjourned, 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend, speak or vote at the AGM.

2. Appointment of proxies

If you are a member of the Company you may appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the meeting. You may only appoint a proxy using the procedures set out in these notes and in the notes on the proxy form, which you should have received with this notice of meeting.

A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes on the form. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

You may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares which you hold. If you wish to appoint more than one proxy you may photocopy the proxy form or alternatively you may contact the Company's registrars, Neville Registrars Limited on +44 (0) 121 585 1131.

3. Appointment of proxy using hard copy proxy form

The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you do not indicate on the proxy form how your proxy should vote, they will vote or abstain from voting at their discretion. They will also vote (or abstain from voting) at they think fit in relation to any other matter which is put before the meeting.

To appoint a proxy using the proxy form, the form must be completed, signed and received by Neville Registrars Limited no later than 48 hours before the meeting, that is 10.00 a.m. 28th June 2024. Any proxy forms (including any amended proxy appointments) received after the deadline will be disregarded.

- The completed form(s) may be returned by one of the following methods:
- Sending or delivering it to Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, B62 8HD or,
- Scanning it and sending it by email to info@nevilleregistrars.co.uk with the company name and "Proxy vote" written in the subject box

If the shareholder is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer or attorney. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

4. Appointment of proxy by joint members

In the case of joint holders, where more than one joint holder purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

5. Changing your instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. The amended instructions must be received by the registrars by the same cut-off time noted above. Where you have appointed a proxy using a hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Neville Registrars Limited on +44 (0) 121 585 1131. If you submit more than one valid proxy form, the one received last before the latest time for the receipt of proxies will take precedence.

6. Termination of proxy appointments

In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, B62 8HD.

Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, your revocation notice must be received by Neville Registrars Limited no later than 48 hours before the meeting. If your revocation is received after the deadline, your proxy appointment will remain valid. However, the appointment of a proxy does not prevent you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

7. Communications with the Company

Except as provided above, members who have general queries about the meeting should telephone Neville Registrars on +44 (0) 121 585 1131 or email them at info@nevilleregistrars.co.uk. You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

8. Issued shares and total voting rights

As at 6.00 p.m. on the business day immediately prior to the date of posting of this notice of meeting, the Company's issued share capital comprised 140,225,973 ordinary shares of 0.1p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company at that time was 140,225,973.