Cyba Plc

Annual Report and Financial Statements

For the year to
31 December 2021

Registered number 11701224 (England and Wales)

CONTENTS

DIRECTORS AND ADVISORS

Directors	Robert Mitchell, Non-Executive Chairman Steve Bassi, Non-Executive Director John Herring, Non-Executive Director Rory Heier, Non-Executive Director
Company Secretary	Rory Heier
Head Office & Registered Office	5 Fleet Place London EC4M 7RD
Auditors	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
Financial Adviser and Broker	Tennyson Securities Limited 2nd Floor, 65 Petty France London SW1H 9EU
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Financial Public Relations	St Brides Partners Limited 51 Eastcheap London EC4M 1JP
Registered Number	11701224

Dear Shareholder,

I am pleased to present the financial statements for the year to 31 December 2021 - a period in which Cyba Plc ("Cyba or the Company") successfully joined the Official List of the London Stock Exchange.

Cyba was formed to acquire a controlling interest in companies disrupting the cyber security sector. In pursuance of that strategy the Company entered into a binding heads of terms in June 2021 to acquire Narf Industries LLC and Narf Industries PR LLC (collectively "Narf"). As part of this process we announced in October 2021 that all required US regulatory approvals for the proposed transaction of Narf were obtained from the Committee on Foreign Investment in the United States "CFIUS". This was a major undertaking, given Narf's customer base and the sensitivity of its activities and passing this hurdle paved the way to completing the Acquisition on 14 March 2022 for a total consideration of $25.6million.
Further disclosures are provided in Note 18 to the accounts regarding the post year end completion, and a description of Narf can be found on the company's website. www.cybaplc.com.

Following the completion of the Narf transaction the Company announced earlier this month Steve Bassi, founder and CEO of Narf, would become the Chief Executive Officer of the Company and also that CYBA would change its name to Narf Industries plc.

Outlook

The reverse takeover of the Company by Narf marks the completion of its mission as an investment company and the start of its future as an operating company.

A full operational update of Narf Industries plc will be provided shortly.

Robert Mitchell

Chairman

The Directors present the Strategic Report of the Company for the year ended 31 December 2021.

Review of the business

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales as a public limited company. The Company's registered office is 5 Fleet Place, London EC4M 7RD. The Company's registered number is 11701224.

The Company was formed to undertake acquisitions in the Cyber Security sector looking for potential companies and business assets that will increase shareholder value. In March 2021, the Company listed on the Standard Listing segment of the Official List of the UK Listing Authority on the London Stock Exchange. The Company has raised £11.9m from inception to the date of this report and intends to raise further funding as part of its acquisition strategy. For further commentary regarding historic share issues, see the Chairman's statement at page 4.

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

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

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 Company operated as a cash shell and applied to the FCA to admit to the LSE main market. The pre-revenue nature of the business as a shell, prior to the completion of its acquisition strategy, is important to the understanding of the Company by its members and suppliers, and the Directors were as transparent about the cash position and funding requirements as is allowed under LSE regulations.

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during the year ended 31 December 2021:

- Any contracts for services provided have been undertaken with a clear cap on financial exposure;
- As a result of these efforts the Company succeeded in executing a binding heads of terms with the Narf Group, which was announced to the market on 8 June 2021 with the transaction subsequently completing on 15 March 2022.
- The Company has announced it remains in discussions about a possible acquisition of Polyswarm.

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

Key performance indicators

Given the focus of the Company on growth through acquisitions the only key performance indicators adopted by the Board to date is the number of acquisitions made. The Company has made one acquisition since the year end.

At the year-end

At the year-end the Company's Statement of Financial Position shows net assets totaling £1,414,458 (31 December 2020 – £1,061,289). The Company has few liabilities and is considered to have a sufficiently strong cash position at the reporting date in view of the subsequent successful placing.

Environmental matters

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

Employee information

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

Social/Community/Human rights matters

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

Anti-corruption and anti-bribery policy

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

Principal risks and uncertainties

The principal risks and the steps taken by the Company to mitigate these risks are as follows:

The Company is a newly established company with limited operating history in its own right

The Company was incorporated in November 2018 and had yet to complete a transaction as at the year-end. Accordingly it has no operating history to date and has yet to demonstrate its ability to integrate acquisitions. The Company's first acquisition completed in March 2022 and has already taken steps to mitigate the risk by having a director on both boards.

Difficulties in acquiring suitable targets

The Company's strategy relies on being able to identify suitable opportunities and to execute these transactions in line with the Company's strategy. If the Company cannot do so, this will have an adverse effect on the Company's financial and operational performance. As noted above, the Company has completed one acquisition of an operational business post year-end and is in discussions to acquire another. These two acquisitions will form the Enlarged Group's primary business going forward.

Technology risk

The companies and businesses that the Company is seeking to acquire are involved in a rapidly changing industry with many competitors seeking to further develop their technologies. There is a risk that the technologies owned by the businesses that the Company intends to acquire will rapidly become obsolete resulting in the Enlarged Group failing to generate the expected revenues. This risk is mitigated by the quality and experience of the Non-Executive Directors as well as those advising them.

Key-person risk

The business that the Company acquired post year-end and those it expects to acquire will likely be newly established and reliant on a small number of key staff. This risk is mitigated by ensuring a substantial part of any consideration paid for the target company is paid in Ordinary Shares of the Company so those key staff are incentivised to remain and generate shareholder value.

Impact of COVID-19

The Company acknowledges the outbreak of the COVID-19 pandemic during the prior period and the potential impact it may have on accessing capital markets to purse its acquisition strategy. The Company is closely monitoring the impact and mitigating risks in keeping a low-cost structure to counter any unforeseen macro-economic impacts. The Company sees no significant disruption in fulfilling their strategic initiatives over the next 12 months.

Due diligence risk

The Company will carry out a full due diligence exercise in relation to potential acquisitions. In doing so, the Company will be required to rely on resources available to it, including public information and information provided by the vendors. Such investigations may fail to reveal or highlight all relevant facts that may be necessary and, if that is the case, issues may arise following completion which could, if they are sufficiently material, result in a material adverse effect on the Company's operations. The Company has to date used well respected professional advisers to perform due diligence. One of the Company's existing Directors is also the founder and a Director of Narf and will become CEO and Executive Director of the Company post acquisition.

The Company will aim to use Ordinary Shares as consideration for acquisition targets

The Company intends to use its Ordinary Shares as whole or part consideration for assets. There is no guarantee that as such this will be an attractive offer for the owners of any proposed targets. If the Company needs to use cash financing or debt financing rather than Ordinary Shares, there is no guarantee it will be able to do so on terms acceptable to it. In such a circumstance the Company could be left with substantial unrecovered transaction costs, potentially including fees, legal costs, accounting costs, due diligence or other expenses. The acquisition of Narf was largely funded from the issuance of the Company's Ordinary Shares to the targets' members. The Company has sufficient working capital to meet the expected transaction costs for the proposed acquisitions.

Inability to Fund Operations Post-Acquisition

The Company may be unable to fund the operations post acquisition of future target businesses, if it cannot obtain additional funding. The Company has sufficient working capital to meet its current funding requirements, including those of Narf, and intends to raise additional funds in conjunction with the completion of the acquisitions to provide further operational working capital if needed for future acquisitions.

Key Personnel

The Company has no employees currently. It has four non-executive directors contracted under service agreements.

Gender analysis

A split of our employees and directors by gender during the period is shown below:

	Male	Female
Directors	4	-

Sustainability

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company.

We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

The Board would like to take this opportunity to thank our shareholders and advisors for their support during the year.

Rory Heier

Rory Heier

Non-Executive Director

29 June 2022

The Directors present their report and the audited financial statements for the year ended 31 December 2021. The Company was incorporated on 28 November 2018 and on 27 February 2020 extended its initial accounting reference date to 31 March 2020. On 7 March 2021 the Company shortened its accounting period to 31 December 2020 to align with the accounting periods of its target acquisition companies.

Principal Activity

The principal activity of the Company during the period was that of identifying potential companies, businesses or asset(s) for acquisition.

Results

The Company recorded a loss for the period before taxation of £1,454,412 (nine months to 31 December 2020: £1,201,334).

The Directors do not intend to declare a dividend in respect of the period under review (2020: £nil).

Emissions

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, since the Company, due to its limited activities in the year under review, did not consume more than 40,000kWh of energy, the Company's emissions are not disclosed for this reason.

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

COVID-19 Assessment

The recent global health crisis brought about by the COVID-19 pandemic has affected both the Company's business operations and those of Narf in a very limited manner. The Company's ability to work remotely and access capital markets in their fundraising throughout the period has been successful. The Company sees no impact in pursuing its acquisition strategy in 2022 as a result of the pandemic.

In addition, management has taken steps to monitor its cash flow in the case that pursuing acquisition targets takes longer than expected as a result of the COVID-19 pandemic and will allow the Company to navigate a more challenging macro-economic environment and remain in operation for the foreseeable future.

Dividends

No dividend has been paid during the period nor do the Directors recommend the payment of a final dividend (prior period: £nil)

Directors

The Directors who served at any time during the period were:

Robert Mitchell	Non-Executive Chairman
Steve Bassi	Non-Executive Director
John Herring	Non-Executive Director
Rory Heier	Non-Executive Director

Details of the Directors' holding of Ordinary Shares and Warrants are set out in the Directors' Remuneration Report from page 11.

Further details of the interests of the Directors in the Warrants of the Company are set out in Note 12 of the financial statements.

Share Capital

The Company is incorporated as a public limited company and is registered in England and Wales with the registered number 11701224. Details of the Company's issued share capital, together with details of the movements during the period, are shown in Note 11. The Company has one class of Ordinary Share and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

Substantial Shareholdings (unaudited)

At 29June 2022, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

Shareholder	No of Ordinary Shares	Percentage of issued Share Capital
Steve Bassi	502,079,484	30.82%
Banque Heritage	160,000,000	9.82%
Racsor LLC	96,625,000	5.93%
Nick Davis	92,948,078	5.71%
Ben Schmidt	88,447,438	5.43%
Hadron Master Fund Limited	65,064,542	3.99%
SRI International	59,856,100	3.60%

Directors' Remuneration Report (Audited)

<u>Remuneration Policies (unaudited)</u>
Following the acquisition of Narf, the Directors are considering whether a remuneration committee should be appointed to reassess an appropriate level of Directors' remuneration. No decision has been made as yet but it is envisaged that the remuneration policy will be amended so as to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value. The Board believes that share ownership by Executive Directors strengthens the link between their personal interests and those of shareholders although there is no formal shareholding policy in place.

The current Directors' remuneration comprises a basic fee and at present, there is no bonus or long-term incentive plan in operation for the Directors. Directors also receive reimbursement for expenses incurred whilst performing services for the Company.

<u>Service contracts (unaudited)</u>
The Directors have entered into Service Agreements with the Company and continue to be engaged under these agreements until terminated by the Company.

In the event of termination or loss of office the Director is entitled only to payment of their basic salary in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Directors are allowed to accept external appointments with the consent of the Board, provided that these do not lead to conflicts of interest. Directors are allowed to retain fees paid.

UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company only became listed during the year, is not paying dividends, is currently incurring losses as it gains scale and its focus during the year ended 31 December 2021 was to seek an acquisition. In addition and as mentioned above, the remuneration of Directors was not linked to performance and we therefore do not consider the inclusion of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future reports.

Implementation Report

Particulars of Directors' Remuneration (audited)

Particulars of directors' remuneration under the Companies Act 2006 are required to be audited, are given in Notes 5 and further referenced in the Directors' report.

Remuneration paid to the Directors' during the year ended 31 December 2021 was:

	Base fee £	**Additional time-based payments £**	**Pension contribution £**	**Total £**
Robert Mitchell*	60,000	60,000	-	**120,000**
Steve Bassi	44,444	-	-	**44,444**
John Herring	44,444	-	-	**44,444**
Rory Heier*	60,000	60,000	-	**120,000**
	208,888	**120,000**	**-**	**328,888**

For the comparative period being the nine months to 31 December 2020:

	Base salary £	**Additional time-based payments £**	**Pension contribution £**	**Total £**
Robert Mitchell	45,000	25,000	-	**70,000**
Steve Bassi	32,950	-	-	**32,950**
John Herring	32,950	-	-	**32,950**
Rory Heier	45,000	25,000	-	**70,000**
	155,900	**50,000**	**-**	**205,900**

* Mr Heier and Mr Mitchell are contracted to provide a maximum of ten hours of their time per month to the Company. Additional hours beyond this are charged on a time spent basis.

There were no performance measures associated with any aspect of Directors' remuneration during the year.

Payments to past Directors (audited)

There are no payments in the year to past Directors.

Bonus and incentive plans (audited)

There were no bonus and incentive plans in place during the year.

Percentage change in the remuneration of the Chief Executive (unaudited)

The Company does not yet have a Chief Executive and therefore, no CEO disclosure has been presented.

Other matters

The Company does not have any pension plans for any of the Directors and does not pay contributions in relation to their remuneration. The Company has not paid out any excess retirement benefits to any Directors.

Approval by members (unaudited)

The remuneration policy above will be put before the members for approval at the next Annual General Meeting.

Directors' interests in shares

The Company has no minimum Director shareholding requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 29 June 2022 was:

	Number	**% age of issued share capital – 2022**
Rory Heier	11,375,000	0.70%
Robert Mitchell	11,200,000	0.62%
Steve Bassi	502,079,484	30.82%
John Herring	26,000,000	1.60%
	578,920,000	**35.65%**

Remuneration Committee (unaudited)

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of Directors' remuneration, share options and service contracts.

Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations and those UK-adopted international accounting standards.

Company law requires the Directors to prepare financial statements for each financial period which present fairly the financial position of the Company and the financial performance and cash flows of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on the Company's website. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

The Directors confirm that to the best of their knowledge:

- the Company financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- this Annual report includes the fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

Auditor Information

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Financial Instruments

The Company has exposure to credit risk, liquidity risk and market risk. Note 19 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

Events after the reporting period (see Note 18)

On 15 March 2022, the Company's ordinary shares were readmitted for trading on the Main Market for listed securities of the London Stock Exchange plc under the TDIM 'CYBA'

On 14 March 2022 at a general meeting of the Company, the Company's proposed acquisition of the entire voting interests in Narf Industries LLC and Narf Industries PR LLC for a total consideration of $25.6m payable in ordinary shares of the Company was approved. The acquisition was accompanied by a placing at 2p per share which raised £6 million of working capital for the enlarged group.

Directors' Indemnity Provisions

The Company has taken out Directors and Officers Liability Indemnity insurance.

Going concern

In May 2021, the Company raised £2.0m before share issue costs which was primarily used to finance the non-refundable deposit on the Company's first target acquisition in accordance with the heads of terms agreed. On 2 February 2022, the Company announced it had completed its fundraise to raise £6 million to finance the acquisition of Narf Industries and provide working capital for the Enlarged Group (see Note 18 of the accounts for further detail). The Company believes that the funding will be sufficient to meet its working capital requirements for at least the next 12 months. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Further details are given in Note 2.2 to the Financial Statements.

Auditors

The Board appointed PKF Littlejohn LLP as auditors of the Company on 21 March 2019 and thus this is their third period of appointment. They have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Donations

The Company made no political donations during the current and prior periods.

ON BEHALF OF THE BOARD

Robert Mitchell

Non-Executive Director

29 June 2022

Corporate Governance Statement

The Board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on Directors' remuneration on pages 11 to 13, explains how the Company has observed principles set out in The UK Corporate Governance Code ("the Code") as relevant to the Company and contains the information required by section 7 of the UK Listing Authority's Disclosure and Transparency Rules as the Company has sought to adopt these prior to listing.

The Company has decided not to apply the Code provisions in full given its current size and resources. The Company is a small company with modest resources. The Company has a clear mandate to optimise the allocation of limited resources to source acquisitions and support its future plans. As such the Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Company was listed on the Main Market of the London Stock Exchange, during the year it is required to follow the Code in the year ended 31 December 2021.

The Company seeks to comply with the UK Corporate Governance Code but due to its limited activities and resources it has opted not to fully implement the Code in respect of the following matters:

Board of Directors and Committees

The Board currently consists of four non-executive Directors, of whom 3 are considered to be independent following completion of both the proposed listing and the subsequent transactions, being Robert Mitchell, Rory Heier and John Herring. It met regularly throughout the year to discuss key issues and to monitor the overall performance of the Company. At its current stage of development, the Board considers all matters, such as Remuneration, Audit and Nominations as a whole. The Directors will actively seek to expand Board membership to provide additional levels of corporate governance procedures at the relevant opportunity.

Audit Committee and Financial reporting

The Audit Committee comprises Rory Heier (Chair), Bob Mitchell and John Herring, each of whom have recent and relevant financial experience. The Audit Committee meets at least two times a year at the appropriate times in the reporting and audit cycle. The committee has responsibility for, amongst other things, the monitoring of the financial integrity of the financial statements of the Company and the involvement of the Company's auditors in that process. It focuses in particular on compliance with accounting policies and ensuring that an effective system of internal financial control is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports, remains with the Board.

The terms of reference of the Audit Committee covers such issues as membership and the frequency of meetings, as mentioned above, together with requirements of any quorum for and the right to attend meetings. The duties of the Audit Committee covered in the terms of reference are: financial reporting, internal controls, internal audit, external audit and reserving. The terms of reference also set out the authority of the committee to carry out its duties.

The Board seeks to present a balanced and understandable assessment of the Company's position and prospects in all interim, final and price-sensitive reports and information required to be presented by statute.

External auditor

The Board meets with the auditor during the year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor. During the year PKF provided reporting accountant services in relation to the Company's IPO and audited the combined historical financial information of Narf Industries LLC and Narf Industries PR LLC. Details of the total fees paid to the auditors are set out in Note 4 to the accounts.

The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. As part of the decision to recommend the appointment of the external auditor, the Board takes into account the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor. PKF Littlejohn LLP have been in their role as auditors for three years, auditing the periods ended 31 March 2020, 31 December 2020 and 31 December 2021.

Remuneration committee

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' and staff remuneration, share options and service contracts. On completion of its first transaction, the Board intends to put in place a separate Remuneration Committee comprising only independent Directors.

Nominations committee

The Board does not intend to create a Nominations Committee for the time being but will re-evaluate as the Company grows.

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Company.

The Directors consider the size of the Company and the close involvement of Directors in the day-to-day operations makes the maintenance of an internal audit function unnecessary. The Directors will continue to monitor this situation.

Shareholder Communications

The Company uses its corporate website (www.cybaplc.com) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The AGM is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Accounts.

The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

Opinion

We have audited the financial statements of Cyba Plc (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Equity and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included reviewing cashflow forecasts covering the 12 months from the approval of the financial statements, considering the levels of discretionary and non-discretionary expenditure forecasted, challenging and conducting sensitivity analysis using the key inputs and assumptions underpinning said forecasts, ascertaining the company's and enlarged group's current cash position and reviewing the company and enlarged groups' performance since the year end.

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

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

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed, or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed 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.

Materiality for the financial statements as a whole was set as £99,000 (2020: £58,000). This was calculated based upon net assets due to the company having generated no revenue in the year and the key risks identified being in relation to the Statement of Financial Position. Performance materiality and the triviality threshold for the financial statements was set at £69,300 (2020: £40,600) and £4,950 (2020: £2,900) respectively due to the assessed risk and our accumulated knowledge of the company and the number of significant risk areas identified.

We also agreed to report to Audit Committee any other audit misstatements below the triviality thresholds established above which we believe warranted reporting on qualitative grounds.

Our approach to the audit

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing, and extent of our audit procedures.

In designing our audit, we considered areas involving significant accounting estimates and judgements by the directors as well as future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

A full scope audit was performed on the complete financial information the company.

Key audit matters

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

Key Audit Matter	How our scope addressed this matter
Recoverability and treatment of the prepaid consideration advanced to Narf Industries LLC and Narf Industries PR LLC ("Narf")	
During the year the company advanced funds totalling £1,436k (note 8) to Narf, acquisition targets that were acquired post year-end. **Due to the value of the balance and the estimation uncertainty in respect of the**	Our work in this area included but was not limited to: • Obtaining and reviewing the signed head of terms to which the advance related, in

assessment of the recoverable value of the balance, there is a risk that the amount advanced may be materially misstated as it has not been accounted for correctly and may not be recoverable.	order to ascertain the nature of the amount advanced; • Vouching the advance of funds to bank statements; • Reviewing the treatment of the prepaid consideration in the year and ensuring that it has been classified correctly; and • Discussing with Management to ascertain why they believe the balance to be recoverable and challenging their assessment; considering developments during the year and post year-end; It was ascertained that the amounts advanced related to a non-refundable advance that per the signed Heads of Terms could be offset against the agreed consideration payable upon acquisition. Due to the advanced nature of the transaction as at 31 December 2021, which was completed in March 2022, the prepaid consideration has been assessed as fully recoverable.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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:

- We obtained an understanding of the company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations currently relevant to the company in this regard to be those arising from UK Company Law, rules applicable to issuers on the LSE Standard List Main Market, including the FCA Listing Rules and the Disclosure Guidance and Transparency Rules.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
    - Discussions with management regarding compliance with laws and regulations by the company;
    - Review of board minutes; and
    - Review of regulatory news announcements made throughout and post year-end.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Other matters which we are required to address

We were appointed by the Audit Committee on 21 March 2019 to audit the financial statements for the period ending 31 March 2020 and subsequent financial periods. Our total uninterrupted period of engagement is 3 periods, covering the periods ending 31 March 2020 to 31 December 2021.

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

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

Use of our report

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

Joseph Archer

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Registered Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

CYBA PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR TO 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	9 month period ended 31 December 2020 £
Administrative expenses	4	**(1,454,440)**	(1,201,272)
Operating loss		**(1,454,440)**	(1,201,272)
Interest receivable		**28**	-
Finance costs		**-**	(62)
Loss on ordinary activities before taxation		**(1,454,412)**	(1,201,334)
Tax on loss on ordinary activities	6	**-**	-
Loss and total comprehensive income for the period attributable to the owners of the company		**(1,454,412)**	(1,201,334)
Earnings per share (basic and diluted) attributable to the equity holders (pence)	7	**(0.2)**	(0.3)

The above results relate entirely to continuing activities.

The accompanying notes on pages 28 to 41 form part of these financial statements.

CYBA PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2021

	Notes	As at 31 December 2021 £	As at 31 December 2020 (Restated) £
CURRENT ASSETS			
Trade and other receivables	8	**1,441,202**	165,037
Cash and cash equivalents	9	**203,734**	1,261,997
		1,644,936	1,427,034
TOTAL ASSETS		**1,644,936**	1,427,034
CURRENT LIABILITIES			
Trade and other payables	10	**230,478**	365,745
TOTAL LIABILITIES		**230,478**	365,745
NET ASSETS		**1,414,458**	1,061,289
EQUITY			
Share capital	11	**62,453**	52,453
Share premium	11	**5,406,629**	3,609,048
Warrant reserve	12	**24,137**	24,137
Retained deficit		**(4,078,761)**	(2,624,349)
TOTAL EQUITY		**1,414,458**	1,061,289

The accompanying notes on pages 28 to 41 form part of these financial statements.

These financial statements were approved by the Board of Directors on 29 June 2022 and were signed on its behalf by:

Rory Heier

Non-Executive Director

Company number: 11701224

CYBA PLC
STATEMENT OF CASHFLOWS
FOR THE YEAR TO 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Period ended 31 December 2020 £
Cash flow from operating activities			
Loss for the period		**(1,454,412)**	(1,201,334)
Adjustments for:			
Decrease in trade and other receivables		**159,688**	20,449
(Decrease)/increase in trade and other payables		**(135,267)**	157,450
Share based payments		**-**	24,750
Net cash outflow from operating activities		**(1,429,991)**	(998,685)
Cash flow from investing activities			
Increase in prepaid consideration	8	**(1,435,853)**	-
Net cash outflow from investing activities		**(1,435,853)**	-
Cashflow from financing activities			
Proceeds on the issue of shares		**1,999,295**	1,920,558
Costs related to share issues		**(191,714)**	(212,883)
Net cash inflow from financing activities		**1,807,851**	1,707,705
Net (decrease)/increase in cash and cash equivalents		**(1,058,263)**	709,020
Cash and cash equivalents at the beginning of the period		**1,261,997**	552,977
Cash and cash equivalents at the end of the period		**203,734**	1,261,997

There were no cashflows from investing activities during the period.

The accompanying notes on pages 28 to 41 form part of these financial statements.

CYBA PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAER TO 31 DECEMBER 2021

	Share Capital £	Share Premium £	Warrant reserve £	Retained Deficit £	Total £
Balance at 1 April 2020	30,978	1,757,068	24,137	(1,423,016)	920,288
Total comprehensive loss for the period	-	-	-	(1,201,334)	(1,201,334)
Shares issued during the period	21,375	1,923,863	-	-	1,945,338
Costs related to share issues	-	(212,883)	-	-	(212,883)
Balance at 31 December 2020	**52,453**	**3,468,048**	**24,137**	**(2,624,349)**	**920,289**
Prior period adjustment	-	141,000	-	-	141,000
Balance at 31 December 2020 (adjusted)	**52,453**	**3,609,048**	**24,137**	**(2,624,349)**	**1,061,289**
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,454,412)**	**(1,454,412)**
Shares issued during the period	**10,000**	**1,990,000**			**2,000,000**
Costs related to share issues	**-**	**(192,419)**	**-**	**-**	**(192,419)**
Balance at 31 December 2021	**62,453**	**5,406,629**	**24,137**	**(4,078,761)**	**1,414,458**

Definitions:
Share capital – the ordinary issued share capital of the Company.
Share premium – consideration less nominal value of issued shares and costs directly attributable to the issue of new shares.
Warrant reserve – the value of equity settled share-based payments provided to employees, including key management personnel, and third parties for services provided.
Retained deficit – Cumulative net gains and losses recognised in the Statement of Comprehensive Income

The accompanying notes on pages 28 to 41 form part of these financial statements.

1 GENERAL INFORMATION

The principal activity of Cyba Plc (the "Company'') is to identify potential companies, businesses or asset(s) in the Cyber Security sector that will increase shareholder value.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales as a public limited company. The Company's registered office is 5 Fleet Place, London EC4M 7RD. The Company's registered number is 11701224.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The Financial Statements of the Company have been prepared in accordance with UK-adopted international accounting standards.

The Financial Statements have been prepared under the historical cost convention unless otherwise stated. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently. The Financial Statements are prepared in pounds Sterling and presented to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company had a net cash outflow from operating activities for the period of £1,429,991 and at 31 December 2021 had cash and cash equivalents balance of £203,734. Subsequent to the year end the Company raised £6 million in a placing of which over £3 million was for the working capital needs of the Enlarged Group. Accordingly the Directors are confident that costs will be managed such that they can be maintained within the working capital raised and the Company has already announced an agreement with SRI international which is a major stepping stone towards Narf Industries and the Enlarged Group becoming profitable. The Directors have considered the management forecasts, post period-end fund raises, current working capital levels and utilisation of funds until Narf Industries becomes cash generative, based on these factors the Directors consider that the entity is a going concern.

The Directors consider that the continued adoption of the going concern basis is appropriate having reviewed the forecasts for the 12 months from the date of signing the financial statements and the accounts do not reflect any adjustments that would be required if they were to be prepared on any basis and assessing the adverse impact that COVID-19 will have on the global economy. The Directors believe that the Company is in a strong working capital position that will mitigate any negative macroeconomic shocks.

2.3 Foreign currency translation

The financial information is presented in Sterling which is the Company's functional and presentational currency.

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and current and deposit balances at banks.

2.5 Trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

2.6 Trade and other payables

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost.

2.7 Financial instruments

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

2 ACCOUNTING POLICIES (CONTINUED)

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

2.8 Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a warrants reserve as a component of equity until related options or warrants are exercised or lapse.

The warrant reserve includes share warrants issued to shareholders in connection with share capital issues that are measured at fair value at the date of issue and treated as a separate component of equity.

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

2.9 Earnings per share

Basic earnings per share is calculated by dividing:

The loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.

By weighting the average number of ordinary shares outstanding during the financial period.

2.10 Share-based payments

The Company has issued warrants to the initial investors and certain counter parties and advisers.

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

Fair value is measured using the Black Scholes pricing model. The key assumptions used in the model have been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Taxation

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

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

2.12 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognised in the financial information. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The Directors do not consider there to be any critical accounting estimates or judgement made in the preparation of these financial statements.

2.13 Standards, amendments and interpretations to existing standards that are not yet effective

New standards, amendments to standards and interpretations:

The Company has adopted all of the new and revised Standards and Interpretations that are relevant to their operations and effective for accounting periods beginning 1 January 2021. The Company has not adopted any standards or interpretations in advance of the required implementation dates.

The adoption of the Standards and Interpretations which became effective this year did not have a material impact on these Financial Statements.

2. ACCOUNTING POLICIES (CONTINUED)

Standards not yet applied

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the UK Endorsements Board):

Standard	Impact on initial application	Effective date
IAS 1	Amendments – Presentation and Classification of Liabilities as Current or Non-current	TBC
IAS 16	Amendments – Property, Plant and Equipment	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
IAS 8	Amendments – Definition of Accounting Estimates	1 January 2023
IAS 1	Amendments – Disclosure of Accounting Policies	1 January 2023
IFRS 3	Amendments – Business Combinations – Conceptual Framework	1 January 2022
IFRS 17	Insurance contracts	31 December 2023

The directors are evaluating the impact that these standards will have on the financial statements of the Company but it is not anticipated that they will have a material impact on the company.

2.14 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board as a whole.

Given the current operations of the Company there are no reportable segments.

2.15 Financial Risk Management Objectives and Policies

The Company does not enter into any forward exchange rate contracts.

The main financial risks arising from the Company’s activities are market risk, interest rate risk, foreign exchange risk, credit risk, liquidity risk and capital risk management. Further details on the risk disclosures can be found in Note 15.

3. REVENUE

There was no revenue generated in the period.

4. ADMINISTRATIVE EXPENSES

This is stated after charging:

	31 December 2021 £	31 December 2020 £
Auditor's remuneration		
- audit of the Company	**18,000**	15,000
- non-audit services		
corporate finance services	**35,000**	12,500
Directors' remuneration	**328,888**	205,900
Legal, professional and consultancy fees	**279,354**	355,115
Other expenses	**783,698**	612,819

5. DIRECTORS AND STAFF COSTS

During the year the only staff of the Company were the Directors and as such the Directors are the key management personnel. Management remuneration, other benefits supplied and social security costs to the Directors during the period was as follows:

	31 December 2021 £	31 December 2020 £
Directors' fees	**328,888**	205,900
	328,888	205,900

The average number of staff during the period, including Directors was 4.

The remuneration and associated social security costs per Director for the year ended 31 December 2021 was all short term in nature and are as stated in the remuneration report on page 13.

6. TAXATION

	31 December 2021 £	31 December 2020 £
The charge / credit for the period is made up as follows:		
Corporation taxation on the results for the period	**-**	-
Deferred tax	**-**	-
Taxation charge / credit for the period	**-**	-

6. TAXATION (CONTINUED)

A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the period is:

Loss per accounts	**(1,454,412)**	(1,201,334)
Tax credit at the standard rate of corporation tax in the UK of 19%	**(276,338)**	(228,253)
Impact of costs disallowed for tax purposes	**20,874**	104,925
Impact of unrelieved tax losses carried forward	**255,464**	123,328
	-	-

Estimated tax losses of £2,850,000 (31 December 2020: £1,505,000) are available for relief against future profits. No relating deferred tax asset has been provided for in the accounts based on the uncertainty as to when profits will be generated against which to relieve said asset.

Factors affecting the future tax charge

The standard rate of corporation tax in the UK is 19%. Accordingly, the Company's effective tax rate for the period was 19%.

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	31 December 2021 £	31 December 2020 £
Loss from continuing operations attributable to equity holders of the company	**(1,454,412)**	(1,201,334)
Weighted average number of ordinary shares in issue	**588,086,644**	374,933,182
Basic and fully diluted loss per share from continuing operations (pence)	**(0.2)**	(0.3)

The calculation of the earnings per share is based on the loss for the financial period after taxation of £1,454,412 and on the weighted average of 588,086,644 ordinary shares in issue during the period.

The warrants outstanding at 31 December 2021 are considered to be non-dilutive as a loss was made for the year. The diluted loss per share is therefore equal to the non-diluted loss per share

8. TRADE AND OTHER RECEIVABLES

	31 December 2021 £	31 December 2020 (Restated) £
Prepaid consideration	**1,435,853**	-
Amount unpaid on share capital	**-**	141,000
Prepayments and other receivables	**5,349**	24,037
	1,441,202	161,037

The prepaid consideration represents two non-refundable advances of US$1 million to each of Narf Industries LLC and Narf Industries PR LLC Sellers, in accordance with heads of terms agreed between the Company, Narf and the Sellers whereby it was agreed, subject to legal diligence, that the Company would agree to acquire the entire equity capital of Narf. As detailed in Note 18 the acquisition of Narf was completed post year end. As such, the balance has been held at cost and been classified as current.

The Directors consider that the carrying value amount of trade and other receivables approximates to their fair value.

9. CASH AND CASH EQUIVALENTS

	31 December 2021 £	31 December 2020 £
Cash at bank	**203,734**	1,261,997
	203,734	1,261,997

Cash at bank comprises balances held by the Company in current bank accounts, instant access deposit account and electronic wallets. The carrying value of these approximates to their fair value. The majority of cash is held in a bank with a BBB credit rating.

10. TRADE AND OTHER PAYABLES

	31 December 2021 £	31 December 2020 £
Accrued liabilities	**148,888**	279,745
Trade and other payables	**81,590**	86,000
	230,478	365,745

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value. Refer Note 15.

11. SHARE CAPITAL / SHARE PREMIUM

	Number of shares on issue	Share capital £	Share premium (Restated) £	Total £
Balance as at 1 April 2020	309,775,000	30,978	1,756,068	1,788,046
Shares issued during the period to 31 December 2020 (net of issue costs)	214,750,000	21,475	1,852,980	1,873,455
Balance as at 31 December 2020	**524,525,000**	**52,453**	**3,609,048**	**3,661,501**
Shares issued during the year to 31 December 2021 (net of issue costs)	100,000,000	10,000	1,797,581	1,807,581
Balance as at 31 December 2021	**624,525,000**	**62,453**	**5,406,629**	**5,469,082**

The Company has only one class of share. All ordinary shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital. As at 31 December 2021 the Company's issued and outstanding capital structure comprised 624,525,000 shares and there were no other securities in issue and outstanding.

From 1 April 2020 to 31 December 2020 the Company issued 214,750,000 ordinary shares of £0.0001 each at a place price of £0.01 per placing share. The shares rank pari passu in all respects to the existing ordinary shares.

From 1 January 2021 to 31 December 2021 the Company issued 100,000,000 ordinary shares of £0.0001 each at a price of £0.02 per placing share.

At 31 December 2021 and 31 December 2020, there were warrants over 12,000,000 unissued ordinary shares exercisable as detailed in Note 12 below.

12. WARRANT RESERVE

Details of the warrants outstanding at 31 December 2021 And 31 December 2020 are as follows:

Issued	Exercisable from	Expiry date	Number outstanding	Exercise price
20 October 2019	Anytime until	8 March 2022	12,000,000	£0.01

	31 December 2021 £	31 December 2020 £
At beginning of period	24,137	24,137
Fair value of warrants granted and vested during the period	-	-
At end of period	**24,137**	**24,137**

No warrants were issued during the year or prior period and no warrants have been exercised to date. All warrants were either exercised or lapsed after the year end.

12. WARRANT RESERVE (CONTINUED)

The estimated fair value of the warrants granted in October 2019 was calculated by applying the Black-Scholes option pricing model. The assumptions used in the calculation were as follows:

Share price at date of grant	1.00 pence
Exercise price	1.00 pence
Expected volatility	35%
Expected dividend	Nil
Vesting criteria	Exercisable on date of grant
Contractual life	2 years
Risk free rate	0.70%
Estimate fair value of each warrant	0.20 pence*

* No share-based payment has been recognised in respect of these warrants during the current year as the full costs of the warrants was recognised in prior periods.

The warrants outstanding at the year end have a weighted average remaining contractual life of 0.25 years. The exercise prices of the warrants are £0.01 per share.

13. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2021 (2020: £nil).

14. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2021 (2020; £nil).

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

The categories of financial assets are as follows:

	31 December 2021 £	31 December 2020 (Restated) £
Current Assets at amortised cost:		
Unpaid amount on share capital	**-**	141,000
Cash and cash equivalents	**203,734**	1,261,997
	203,734	1,402,997

15 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial liabilities by category

The categories of financial liabilities are as follows:

	31 December 2021 £	31 December 2020 £
Current Liabilities at amortised cost:		
Trade and other payables	**230,478**	365,745
Categorised as financial liabilities measured at amortised cost	**230,478**	365,745

All amounts are short term and payable in 0 to 3 months.

Credit risk

The maximum exposure to credit risk at the reporting date by class of financial asset was:

	31 December 2021 £	31 December 2020 £
Trade and other receivables	**-**	-
Cash and cash equivalents	**203,734**	1,261,997

Interest rate risk

None of the Company's assets or liabilities are subject to any material interest rate risk since only £100,000 earns interest at a negligible interest rate and none are subject to interest charges. All deposits are placed with main clearing banks or held in cash wallets to facilitate non-sterling payments or expense payments. The deposits are placed in current accounts or instant access deposit accounts to provide flexibility and access to the funds.

The nature of the Company's activities and the basis of funding are such that the Company seeks to maintain liquid resources to meet its expenses for at least twelve months although the delay in issuing a prospectus ahead of readmission has meant that at the year-end date the liquid resources were less then normal. Subsequent to the year end the prospectus was issued and shares readmitted to trading such that cash resources are now more than sufficient to meet anticipated outgoings for a year. The Company will utilise these resources to meet the cost of operations of the Enlarged Group.

Credit and liquidity risk

Credit risk is the risk of an unexpected loss if a counter party to a financial instrument fails to meet its commercial obligations. The Company's maximum credit risk exposure is limited to the carrying amount of cash of £203,734. As the prepaid consideration is non-refundable it is not subject to credit risk. Credit risk is managed by depositing surplus funds with financial institutions with a credit rating equivalent to, or above, the main UK clearing banks and by keeping amounts in electronic wallets to the minimum required for day-to-day operations. All financial liabilities are payable in the short term (between 0 to 3 months) and the Company maintains adequate bank balances to meet those liabilities.

15 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at period end.

16. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the balance between debt and equity.

The capital structure of the Company as at 31 December 2021 consisted of equity attributable to the equity holders of the Company, totalling £1,414,458.

The Company reviews the capital structure on an on-going basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure through the payment of dividends and new share issues. The Company has no plans to take on debt capital.

17. RELATED PARTY TRANSACTIONS

The compensation payable to Key Management personnel, who comprise the Non-executive Directors, comprised £328,888 (2020: £205,900) paid by the Company in respect of services to the Company. Full details of the compensation for each Director are provided in the Directors' Remuneration Report. At year-end, an amount of £98,888 (31 December 2020: £38,804) was due to the Directors in respect of Directors remuneration.

Rory Heier is the sole Director of Harpers Capital Limited, a company that received £59,000 (2020: £76,500) during the year for the provision of consulting, marketing and business development services. At the year end, an amount of £Nil (2020: £Nil) was due to Harpers Capital Limited.

Steve Bassi is a Member of Narf Industries LLC and Narf Industries PR LLC, which each received £767,916 during the year as an advance payment in connection with a heads of terms between Narf Industries LLC, Narf Industries PER LLC and Cyba plc. At the year end, an amount of £1,435,853 of prepaid consideration is included in the Statement of Financial Position (see Note 8).

17. EVENTS SUBESQUENT TO YEAR END

On 16 February 2022, the Company created and issued to Hadron Master Series II Warrants over 13,000,000 ordinary shares. The Warrants vested immediately with an exercise price of £0.02p, and expire on 15 February 2023.

On 14 March 2022 at a general meeting the Company's shareholders approved the acquisition of Narf Industries LLC and Narf Industries PR LLC (collectively "Narf") for a combined consideration of US$25.6 million of which US$2 million was settled from the prepaid consideration referred to in Note 8, US$4.17 million in cash from the proceeds of the placing and the remaining US$19.43 million from the allotment of 699.6 million Ordinary shares to the former members of Narf at an effective price of £0.02. Following these approvals and the issue of a prospectus the Enlarged Group was readmitted to trading on the London Stock Exchange and the Company issued shares for gross cash proceeds of £6 million of which £3 million is to meet working capital needs for the Enlarged Group.

18. EVENTS SUBESQUENT TO YEAR END (CONTINUED)

The reasons for the acquisition are set out in detail on pages 34 and 35 of the Company's prospectus dated 17 February 2022 and are summarised by Narf offering the Company an exposure to an exciting specialist within the cyber security sector.

The provisional fair values of the identifiable assets and liabilities of Narf at the date of acquisition were as follows:

	Fair value on acquisition date £
Cash and cash equivalents	235,798
Trade receivables	382,964
Other receivables	177,305
Property and equipment	103,232
Total assets	**899,299**
Trade payables	13,541
Amounts due to former members	203,427
Amounts due to the Company	191,823
Other creditors	413,026
Total liabilities	**821,817**
Total identifiable net assets at fair value	**77,482**
Goodwill arising on acquisition	19,567,958
Purchase consideration transferred	**19,645,440**

All receivables and payables are due within one year.

The estimated value of financial assets acquired at the acquisition date is £899,299.

The goodwill of £19,567,958 comprises the expected value of potential future cybersecurity contracts that the Company expects Narf to win based on its due diligence. A purchase price allocation exercise has not yet been undertaken and therefore the fair values are subject to change.

The costs of the acquisition amount to approximately £1,000,000 and have largely been accounted for in the statement of comprehensive income for the current year.

On 16 March 2022, the Company signed an agreement with SRI International ("**SRI**") regarding the licensing of its intellectual property and patents relating to the Threat Intelligence for Grid Recovery ("**TIGR**").

On 16 May 2022, the Company issued 59,856,100 ordinary shares at a price of £0.02p each to its partner SRI as part of the aforementioned agreement, signed on 16 March 2022.

19. PRIOR PERIOD ADJUSTMENT

Since the approval of the prior period financial statements the Directors have identified an error relating to the period ended 31 December 2020.

It was noted that unpaid share capital in respect of shares issued in the period ended 31 December 2020 was not accounted for as at 31 December 2020. This unpaid share capital amounted to £141,000 and was recovered in the year ended 31 December 2021.

This error resulted in both trade and other receivables and share premium being understated by £141,000. The prior period trade and other receivables and share premium have both been adjusted to reflect this adjustment. This prior period adjustment had no impact on the loss for the period or net assets and does not impact the prior period opening balances.

20. CONTROL

Although the Narf Concert Party own 41.96% following the RTO post year end, in the opinion of the Directors there is no single ultimate controlling party.