SEED INNOVATIONS LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

SEED INNOVATIONS LIMITED

CONTENT

www.seedinnovations.co
Incorporated under
the Companies (Guernsey) Law, 2008, as amended.
REGISTERED IN GUERNSEY No. 44403

SEED INNOVATIONS LIMITED

DIRECTORS & ADVISERS

Directors

Ian Burns (Non - Executive Chairman)

Edward McDermott (Chief Executive Officer)

Lance De Jersey (Executive Director)

Luke Cairns (Non-Executive Director)

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SEED INNOVATIONS LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The financial year to 31 March 2023 has been a particularly challenging year with the persistent, and continuing, macro-economic and political factors impacting stock market stability. While we believe there have been some signs of green shoots of late, we still face a rather volatile appetite for public markets and investor activity, across all sectors and particularly in small caps, remains unstable. That said, we remain optimistic about SEED's ability to deliver sustainable growth over the long term and believe that, over time, the underlying value of our portfolio will be more accurately reflected in our share price which currently sits at a disproportionately low value to our NAV.

There is no denying that early-stage investing continues to be challenging. However, we are confident that the current negative period, like previous ones, will create opportunities for SEED and produce a cohort of companies that, in the long term, will create value for our shareholders. Furthermore, by pursuing a balanced approach in the stage of maturity of our investments we are able to mitigate the challenges for earlier stage investments as companies which have been nearing liquidity events but may have put transactions on hold during the recent malaise may start looking at fundraisings or IPOs as the markets open up as they inevitably will. We are in the fortunate position of currently having nearly £2.5 million cash in the bank and can capitalise on these opportunities.

In the last few months, we have been working closely with our portfolio companies to help them navigate this difficult period. This often involves helping founders see a path forward to make their companies leaner, more efficient, and more valuable. Strong and effective management is key to the success of any company, but perhaps more so at the early stages of their development. Unfortunately, not all are successful, and a small number of our companies have fallen victim to these difficult market conditions. On the other hand, several others have been successful at raising capital against this very challenging economic backdrop and rising risk aversion. We are encouraged by this since it demonstrates that companies with strong traction and differentiated business models can maintain access to capital.

We continue to develop our diverse portfolio by focusing on our core objective of providing investors with exposure to disruptive growth opportunities that would normally be inaccessible to private investors.

Our board remains fully committed to our investment philosophy and achieving our goals with discipline and diligence. By focusing on our core competencies, we are optimistic we can bring significant uplift value to our shareholders and thrive in even the toughest markets. Our team possesses significant expertise in recognising and leveraging the most favourable opportunities, demonstrated by our early seed level entry into Clean Food Group last year.

I would like to take this opportunity to acknowledge that we share our investors' frustrations in what is perceived sometimes as a lack of deal flow from the Company, however, it is worth saying that whilst we evaluate numerous opportunities throughout the year we believe it is vital to look for quality over quantity and we are not alone in striving for the higher quality deals. Sometimes commercial sensitivities, particularly amongst our private company investments, need to be respected and carefully managed, and this can sometimes limit what we can say publicly. All this said, however, it does bring me back to the core focus of SEED and that is to provide investors with exposure to disruptive growth opportunities that would normally be inaccessible to private investors.

While we have seen many investors in our space change strategies, this is not the case with SEED. Quite the contrary, we remain steadfast in our goal to work with outstanding entrepreneurs and build world-class businesses that create material value for our shareholders. Our deal flow remains robust, and we are optimistic that the current environment will offer superior opportunities to deploy our cash reserves and in turn, create long-lasting value for our investors.

Ian Burns

Ian Burns
Non-Executive Chairman

26 June 2023

SEED INNOVATIONS LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER

FOR THE YEAR ENDED 31 MARCH 2023

With inflation persisting, conflict in Ukraine continuing, and global central banks rate changes remaining uncertain, investor sentiment remains cautious, not helped by some major upsets in financial markets such as the collapse of Silicon Valley Bank earlier this year. There has been a particularly significant impact on growth stocks over the last 18 months as investors shift their focus towards assets that are less affected by turbulent conditions. Small caps, unfortunately, have yet to fully recover and may take some time to do so. That said, recent weeks have seen the market looking a little more positive with an increase in liquidity. Our balanced portfolio of liquid, pre-liquidity and long-term investments is therefore creating a stable basis for the Company's next phase of growth and development.

SEED has a unique opportunity to invest in companies that have solid fundamentals and are currently at attractive valuations amidst ongoing macroeconomic factors. Our well-connected team is continuously seeking out innovative companies that are utilising disruptive technologies and we are eager to support these businesses and bring value through our expertise, our network and our capital.

At SEED, we remain committed to our investment policy of providing exposure to disruptive growth opportunities that are typically inaccessible to private investors. Our extensive network of contacts continues to present us with various new investment opportunities in sectors that align with our investment strategy and have previously delivered, or have the potential to deliver, robust returns. In addition, we are seeing short-term investing in opportunistic deals given our access to public market trading opportunities. This may include IPOs, reverse takeovers, or secondary fundraisings, across sectors, but where there are significant levels of liquidity that will look to generate shorter-term returns for our investors. In keeping with our Investing Policies, any such opportunities will be limited to no more than 15 per cent of our NAV at the date of the transaction.

We have seen several advances in the portfolio during the period under review, perhaps most notably the offer for Leap Gaming by IMG Arena US, LLC, announced in December 2022. This completed in April, post-period end, and saw the first tranche of sale proceeds received, being €3 million (£2.7 million). The divestment importantly means that SEED is not committed to continually fund a legacy company which does not align with our current investment strategy. Furthermore, the proceeds of the sale will provide us with additional funds to invest in other projects where we see better synergy with our own skill sets and experience, married with opportunity for growth and investment return.

Other positive advances in the portfolio include the £6.2 million all share merger of South West Brands with OTO International Limited ("OTO") which completed post year-end on 20 April 2023. OTO is a premium wellness brand renowned for its use of holistic plant ingredients and CBD in its portfolio products. SEED has become a 1.4% shareholder in OTO, equating to a blended return of 1.18 times the original investment. We are also particularly looking forward to developments from Northern Leaf, following its successful £3 million pre-IPO fundraise, with a future IPO currently targeted for this year, and Avextra AG, that closed a c.€17 million (c.£15 million) capital raise in March this year to expand sales and distribution channels of their product portfolio into new European markets, expedite Cannabis-based medication clinical trials, advance its R&D activities as well as further its expansion into the German market.

Turning to the medicinal cannabis market in general, the sector has been beaten up throughout the past year, something to a large extent explained by the reluctance from policymakers in the United States around federal cannabis reform. However, we remain optimistic about the medium-to-long-term prospects of the industry on a global scale. This is supported by President Biden's initiation in October 2022 of an administrative review of federal marijuana scheduling, and separately by recent US bipartisan support for the SAFE Banking Act. While we don't have any direct exposure to cannabis operators in the U.S., we're aware of the importance of regulatory developments across the pond given how correlated global cannabis valuations are. With SEED having already established an investment profile in this sector, we maintain our exposure to the opportunities within it and therefore are well-positioned to take advantage of the investment opportunities that arise in the medical cannabis space and positive regulatory developments. As a company, we still believe there are excellent opportunities in the medium to long term. We are closely plugged into this sector and have the necessary expertise and resources to quickly adapt to any changes in the landscape.

Moving forward, SEED's investment strategy of diversification into life sciences and biotechnology sectors allows the Company to leverage its resources and know-how across multiple sectors, providing opportunities for growth and maximising returns while mitigating investment risks. A key example of this is SEED's investment in Clean Food Group, a biotech company focused on cellular agriculture and the commercialisation of bio-equivalent palm oil production by fermentation.

We remain dedicated to supporting the continued growth of our investee companies while we develop our strategy of providing access to investment opportunities in sectors often inaccessible to the smaller investor. With cash available to invest, we are able to move quickly on any favourably priced opportunities with the potential for excellent long-term value.

The net asset value of the Company at 31 March 2023 was £16,032,000. (31 March 2022: £20,461,000), equal to net assets of 7.54p per Ordinary Share (31 March 2022: 9.62p per Ordinary Share).

The table below lists the Company's holdings at 31 March 2023 and 31 March 2022.

Holding	Share Class	Category	Country of Incorpor-ation	Portfolio %	Number of Shares Held at 31 March 2023	Valuation at 31 March 2023 £'000	Number of Shares Held at 31 March 2022	Valuation at 31 March 2022 £'000
Fralis LLC (Leap Gaming)	Units Loan	Gaming	Nevis	30.40% 1.48%	1,512 N/A	4,870 236	1,512 N/A	7,586 684
Avextra Pharma GmbH	Ordinary	Biotech/ Healthcare	Germany	27.69%	5,142	4,436	4,962 180	4,281
Juvenescence Ltd	Ordinary	Biotech/ Healthcare	Isle of Man	15.96%	128,205	2,556	128,205	2,410
Clean Food Group Limited	Ordinary Shares	Food Technology	England	6.03%	5,850,000	965	4,600,000	46
Northern Leaf Ltd	Convertible Loan	Biotech/ Healthcare	Jersey	5.99%	-	960	-	660
Little Green Pharma	Ordinary	Biotech/ Healthcare	Australia	4.46%	7,324,796	715	7,324,796	2,028
Inveniam Capital Partners	Preferred Shares	Fintech	USA	3.72%	86,810	596	86,810	562
South West Brands	Convertible Loan	CBD Wellness	England	2.64% 1.04%	-	423 167	-	476
Portage Biotech Inc.	Ordinary	Biotech/ Healthcare	BVI	0.59%	37,623	94	50,123	251
Yooma Wellness Inc	Common Shares	CBD Wellness	Canada	0.00%	4,427,609	-	4,427,609	351
CiiTECH Limited	Convertible Loan	CBD Wellness	England	0.00%	-	-	-	188
Vemo Education, Inc.	Pref Series Seed 2	Edtech	USA	0.00%	1,000,000	-	1,000,000	-
Total Investment Value						16,019		19,524
Cash and receivables, net of payables and accruals						14		937
Net Asset Value						16,032		20,461

The movement in the portfolio value of negative £3.5 million is attributable to the negative revaluation of Leap to sale price (-£3.2 million); unrealised losses on listed investments (-£1.8 million); write-off of remaining value in CiiTech & Yooma (-£0.2 million); and offset by positive movements of Clean Food Group (+£0.9 million); Northern Leaf (+£0.3 million); and South West Brands (+£0.1 million).

During the year £387,000 in cash was deployed as additional commitments in existing investments.

Expenses have continued to be controlled over the period, reducing to £744,000 (2022: £928,000), representing 4.64% of closing NAV (2022: 4.54%).

Whilst little cash was held at the end of the reporting period (£30,000), this was significantly increased in April by receipt of the first half of proceeds (and repayment of the Term Loan) from Leap Gaming, resulting in cash held at the end of May 2023 of approximately £2.5 million.

Ed McDermott

Ed McDermott CEO

26 June 2023

SEED INNOVATIONS LIMITED

INVESTMENT PORTFOLIO REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The following is a new insertion to the Annual Report, bringing a summary of the portfolio of investments held by the Company, together with select updates on the underlying investee companies, into a single report for ease of reference of shareholders rather than spreading over the Chairman's and CEO Reports as previously.

This report is separated by liquidity profile of the underlying investments, from those liquid investments which could more easily be realised to cash by virtue of their own public markets listings, toward those longer term investments which are less liquid and so likely to take a longer time and more planning and work to get to a position for sale via a liquidity event or M&A activity.

Liquid Investments

Little Green Pharma ('LGP')

Little Green Pharma is an ASX-Listed (Ticker: LGP) vertically integrated medicinal cannabis business with operations from cultivation and production through to manufacturing and distribution. During the period, LGP made large strides in advancing its global expansion strategy with early penetration into key markets. SEED owns 7,324,796 ordinary shares in LGP representing 2.45% of LGP's issued share capital.

LGP has seen strong progress as it fast-tracks its European growth strategy of partnering with quality global distribution partners to gain market share in Europe, notable progress in the period under review included:

- LGP achieved revenue of ~A$20 million (unaudited) for the financial year ended 31 March 2023, up from A$10.3 million for the prior 9-month financial year ended 31 March 2022, while reducing its loss after tax by A$9.1 million from A$18.3 million to A$9.2 million. Cash in the bank at year end was A$12.4m. The A$4.1 million balance of its Canopy loan was repaid post year end, in early April 2023 (noted below).
- LGP noted key milestones in its quarterly activities report and Appendix 4C for the period ending 31 March 2023: A$6.7 million in customer cash receipts, up from A$6.0 million in the previous quarter and up from A$3.0 million in the prior March quarter.
- Increase in flower sales in Australia by nearly 50% for the period ending 31 March 2023 from previous quarter.
- LGP repaid Canopy in full the loan associated with the purchase of LGP's Danish facility, fully discharging the debt.
- LGP secured firm commitments in March 2023 for a A$5 million placement from new and existing institutional investors. The placement was oversubscribed with support from sophisticated investors. The funds will be used to repay the balance outstanding of the loan note with Canopy Growth Corporation ("Canopy") as well as for working capital and costs of the offer. Total funds raised post this transaction in LGP's financial year are at the time of this report at A$10.1m.
- LGP entered a Strategic Alliance with Health Insurance Fund of Australia Pty Ltd to establish a proof-of concept mental health treatment facility with capability to deliver psychedelic assisted psychotherapy to eligible patients. The health economics study is to inform future health insurance coverage, whilst the two parties have agreed an exclusivity period to negotiate joint development of further treatment centres, announced in March 2023.
- LGP's wholly owned subsidiary and operator of LGP's psychedelics business, Reset Mind Sciences Limited ("Reset"), received Human Research Ethics Committee approval to conduct clinical trials into efficacy and safety of psilocybin assisted therapy, announced on the 15 February 2023.
- LGP and its psychedelics focused subsidiary Reset welcomed the decision by the Therapeutic Goods Administration to change the classification of psilocybin and MDMA to allow prescribing by authorised psychiatrists, announced in February 2023. Which means Australia will become the first market in the world to recognise psychedelics as medicines and paves the way for the use of psilocybin for the treatment of treatment resistant depression and MDMA for PTSD outside of a clinical trial environment.
- In January 2023, LGP noted record quarterly customer cash receipts of A$6.0 million and very strong growth in LGP Danish flower sales in Australia in its quarterly results for the period ending 31 December 2022.
- The success of LGP's export strategy was formally recognised by its win in the International Health category at the 60th Australian National Export Awards and also at the WA State Export Awards in October 2022.
- Partnered with German cannabis pioneer, Cannamedical, for the supply of bulk medicinal cannabis from Denmark to Germany, with a potential value of over A$4.5 million (€3 million) over two years, the fourth medicinal cannabis supply agreement with key wholesalers and distributors in Germany that LGP has announced in 2022.

- Signed an offtake agreement with long-standing distribution partner Demecan in Germany, representing an annual revenue opportunity of approximately A$9 million (€6 million) post ramp-up for its Danish facility.
- Signed a two-year A$2 million medicinal cannabis supply agreement with Ilios Santé in Germany, to purchase minimum annual quantities of a high-THC white-label medicinal cannabis flower product being developed by LGP. The Agreement represents continued validation of LGP's key strategy of developing bespoke, high-value white label strains for export to lucrative jurisdictions.

In our opinion, the achievements made within the reporting period further consolidates LGP's growing industry reputation as one of the leading global pure-play medicinal cannabis suppliers operating in Europe making LGP undervalued compared to its peers. LGP is valued at market price and SEED continues to believe that LGP is undervalued respective to peers given its performance.

Portage Biotech, Inc ('Portage')

NASDAQ listed Portage (Ticker: PRTG) is an emerging biotechnology company developing an immunotherapy-focused pipeline to treat a broad range of cancers. Its focus is to combine its own technology with already proven immune-boosting PD1 agents and to this end, Portage has a pipeline of products targeted for clinical testing and a growing roster of notable partnerships.

During the reporting period Portage acquired the outstanding minority interest (approximately 22%) of invariant natural killer T (iNKT agonist) platform. Portage also remains focused on advancing two broad platforms, its invariant natural killer T cell (iNKT) agonists and its newly acquired adenosine antagonists, PORT-6 (A2AR inhibitor) and PORT-7 (A2BR inhibitor). COVID-related backlogs for activating clinical trial sites and staff shortages have made expansion of the PORT-2 study in the United Kingdom challenging. As a result, Portage has prepared a parallel company-sponsored study, IMPORT-201, to be launched in the United States and European Union to mitigate the slowdown in the United Kingdom.

Portage is marked to market. Analysts continue to predict target prices above SEED's US$10 per share cost price, however market price at year-end was US$3.09 and although showing some gains since, remains at a significant discount to cost. This said, it is worth remembering that SEED has previously (June 2021) sold shares at a profit and has made an overall profit on Portage to date, with the remaining holding representing further unrealised profit on the overall position.

Pre-liquidity Investments

Being investee companies with a communicated intent to pursue a liquidity event such as a market listing, or M&A transaction, in the near to medium term.

South West Brands Limited ('SWB')

SWB is a London-based, pioneering multi-brand consumer goods group focusing on the health & wellness segment, utilising plant ingredients (including CBD) to create unique and efficacious products.

Outside the reporting period in April 2023, SWB entered into a Sale & Purchase Agreement for the sale of SWB to OTO International Limited ('OTO') for an enterprise value of £6,235,000 to be paid in OTO shares. SEED is therefore now invested in OTO rather than SWB, albeit at the reporting date of financial statements, the holding was still in SWB.

OTO is an omni-channel premium wellness brand, whose positioning as the premium wellness brand of choice has enabled the business to build three diversified and robust revenue streams (including retail, spa and e-commerce) across multiple territories including the UK, USA, Japan and Europe. The offering, on completion, consists of an exciting and uniquely positioned portfolio of brands in fast growing consumer sectors, with products perfectly positioned to take a market share across beauty, female wellness, personal care and spa.

SEED has received a total of £423,000 in OTO ordinary shares following conversion of the Convertible Loan Notes SEED holds in SWB and will be repaid cash of £167,000, being repayment of the £150,000 8% Convertible Loan Note, plus accrued interest of £17,000, invested on 4 October 2021. Following a total investment into SWB of £500,000 by SEED, the total return represented by the sale is £590,000, a blended return of 1.18 times the original investment.

Future reporting of the investment will be of the new and continuing shareholding in OTO of 71,502 shares (1.4% of OTO).

Juvenescence Ltd ('Juvenescence')

Juvenescence is a life sciences company developing therapies and consumer products to modify and support heathy aging focused on improving and extending human lifespans. By utilising a coalition of best scientists, physicians, and investors across its four divisions, it aims to create cutting-edge therapies and products that disrupt the thinking and behaviour around ageing. Juvenescence has a broad portfolio of products in development and is driving innovation amongst two divisions: JuvTherapeutics - Focused on traditional prescription medicines to modify aging and prevent diseases, and JuvLife- Consumer products that manage aging and help increase health span.

During the period Juvenescence, through its JuvLife Division, joined Banco Português de Fomento and 200M Fund in a co-investment in Chrysea Laboratories, a synthetic biology company developing high-value and difficult to source natural products, using proprietary synthetic biology platforms. Juvenescence and Chrysea will collaborate to develop and commercialise one of Chrysea's products.

Other advances for Juvenescence included a successful raise of US$8 million from its investee company Morphoceuticals which is pioneering the use of artificial intelligence-guided electroceuticals to regenerate limbs, repair tissues, and regenerate organs.

Juvenescence remains valued at Series B raise price. Subsequent debt rounds support this price, however a Series C round or public markets listing are still eagerly awaited.

Northern Leaf Ltd ('Northern Leaf')

Northern Leaf is focused on becoming a key player in the European medical cannabis supply chain, having already built a secure operational facility in Jersey. Northern Leaf is leading the development of a new industry for the British Isles, using state-of-the-art tracking systems and robust policies and procedures to ensure the highest levels of quality from seed to sale.

Post-period SEED secured a 60% uplift on the Company's original investment into Northern Leaf. SEED originally invested in Northern Leaf via a 2-year £600,000 Convertible Loan Note as part of a c.£14M raise by Northern Leaf. Following a successful equity raise of c.£3 million, this CLN (principle and accrued interest of approximately 20%) has converted in accordance with the terms of the CLN into 1,236,331 preference shares in Northern Leaf, representing 2.2% of the enlarged equity of Northern Leaf.

At the price of the recent raise, SEEDs holding is valued at £960,000, a 60% uplift (1.6X) including accrued interest compared to the original investment.

Northern Leaf is also targeting an IPO for later this year.

Fralis LLC (trading as Leap Gaming - 'Leap')

Leap is a developer of high-end virtual-sports, slots, and casino applications serving hundreds of gaming brands and generating tens of thousands of engagement points with end-users. Leap's attention to detail in its solutions and services is manifested in the modular engagement terms it offers to its operating partners and its ability to provide seamless experiences across mobile, desktop and retail environments. Leap is licensed by the MGA and certified for other jurisdictions worldwide, including the United Kingdom, Sweden, the Netherlands, Romania, South Africa and Greece.

Following the announcement made on 7th December 2022, we are pleased to confirm that the sale of Leap is now complete and unconditional, as announced outside the reporting period on 11 April 2023. The shareholders of Leap entered into a Share Purchase Agreement ("SPA") on December 7th, 2022, for the sale of the entire issued share capital of Leap to IMG Arena US, LLC ("IMG") at an enterprise value of €14 million. This transaction is known as the Leap Transaction.

Sale proceeds due to SEED were paid / are due as follows:

- Received €2.8 million (£2.4 million), being 50% of the sale proceeds due to SEED under the agreement (and after adjustment for working capital and repayment of debt); and
- Received €268,000 (£235,000) being repayment of Leap's €250,000 term loan (as announced on 8 June 2022), together with accrued interest.
- The second tranche of sale proceeds, being €2.8 million (calculated as the remaining 50% of the sale proceeds and subject only to any claims under customary warranties & indemnities,), is expected to be received in April 2024, being the 12-month anniversary of Completion, as per the terms of the SPA.

The expected total blended return on investment over all the Leap investments is disappointing at approximately 4%, albeit this is skewed by losses made on units purchased at high prices in 2018 (when the Gaming market was trading strongly). By comparison, the more recent Convertible Loan Notes ("CLNs") acquired by SEED's current management in 2020 & 2021 returned approximately 36% (being approximately €1M against a cost of €733K). SEED intends to use the proceeds received for making further investments in accordance with its investing policy.

Longer term Investments

Being typically early stage investments and often in the value creation phase of development, working toward initial sales and/or profitability. Some positions may have been held for some years already, with no communicated plans for a public market liquidity event, nor publicised plans for a sale by M&A. Where progress in development has been achieved or further upside within an acceptable timeframe now seems unlikely, SEED may be working with the investee company to identify a route to a liquidity event, or may independently to find a purchaser for just its own holding in the investee company.

Inveniam Capital Partners ('Inveniam')

Inveniam is a private fintech company which built Inveniam.io, a powerful technology platform that utilises big data, AI and blockchain technology to provide surety of data and high-functioning use of that data in a distributed data ecosystem. Inveniam has built Inveniam.io, the data operating system for delivering access, transparency, and trust in the value and performance of private market assets.

During this period Inveniam has partnered with Apex Group a global financial services provider. Through the partnership, Inveniam and Apex Group will use Inveniam's patented blockchain technology and the Inveniam.io data operating system to deliver digitally credentialed, higher-functioning private asset data for more consistent, fully auditable valuations.

Inveniam and Rialto Markets also announced a partnership, with Inveniam making a capital investment into Rialto Markets and will support the burgeoning market with connectivity into its private market data eco-system. Inveniam via Inveniam.io, is the operating system for private market data that drives price discovery and automated waterfall calculation

Post-period Inveniam has also partnered with Cushman & Wake, a leading global real estate services operator, to deliver a tech stack that will further the global trading of private market assets with real-time data surveillance.

The stock is being carried at same price as at March 2022 ($8.51 per share) in the absence of visible transactions in shares or equity raises in the interim. Inveniam have raised new funding via debt instruments in the intervening period and expect a Series B during 2023 which will hopefully result in a positive revaluation at future valuation points.

Clean Food Group Limited ('CFG')

CFG was co-founded by CEO Alex Neves and Co-Chairman Ed McDermott in 2021, with the goal of becoming the leading independent UK cultivated food ingredients business. CFG is a British based food Technology Company which aims to become the leading independent UK cultivated food business. CFG are developing a sustainable yeast technology that produces cultivated, sustainable alternatives to palm oil and soy protein, two ingredients in food and cosmetics with currently massive and still growing demand and negative environmental impact. CFG has gathered a knowledgeable board of directors and an experienced advisory team which is familiar with biotechnology, life sciences and high-growth industries.

Later in the reporting period, CFG announced its partnership with Doehler Ventures, the venture arm of Doehler Group GmbH, a global producer, marketer and provider of technology-driven natural ingredients and systems. As an influential player in the Nutrition & Technology ecosystem, Doehler Ventures is dedicated to supporting early-stage start-ups, making this partnership a significant milestone for CFG. This collaboration presents a unique opportunity for CFG to further demonstrate its potential as a commercially scalable production methodology and could potentially drive the next uplift in valuation for the company. This partnership marks a remarkable achievement for CFG, particularly as a young company, and underscores the recognition of its value and potential by a well-respected industry leader.

CFG received a total investment of £171,000 from SEED, divided into two parts. The first investment of £46,000 was made in March 2022 for 4.6 million shares during the seed round. The second investment of £125,000 for 1.25 million shares was made during the "Friends & Family" funding round, which raised £1.65 million and was led by Agronomics Limited, an AIM-traded company focused on cellular agriculture and cultivated meat.

Yooma Wellness Inc. ('Yooma')

Yooma (dual listed on the Canadian CSE and London AQUIS, with Tickers: YOOM.CN and YOOM.AQ respectively) is engaged in the marketing and sale of wellness products including hemp seed oil and hemp-derived and cannabinoid (CBD) ingredients.

Disappointingly, Yooma has continued to perform poorly and is now written down to zero, with little chance of a recovery in fortunes expected and the existing business being sold down to cover costs. Traded volumes have historically been low, with recent trades at very low prices. It is a sad fact of early stage investing that some investments will be lost as the underlying company fails to realise their business plans and attain a sustainable business model. This said, listed vehicles such as this are often repurposed for new opportunities and as such SEED will hold its position against the possibility of a future restructuring which might offset some of this loss.

Vemo Education Inc. ('Vemo')

VEMO is an education technology company founded to address the student debt crisis by developing income share agreement ('ISA') programmes and deferred tuition plans and partnering with higher education institutions to make these funding options available to students.

Following a significant decline in recent years, coupled with regulatory pressure and negative press for their underlying student Income Sharing Agreements, Vemo has ultimately failed. This is now considered a total loss and Vemo will not be reported on in future updates.

Avextra (formally Eurox Group GmbH) ('Avextra')

Avextra is a German-based, vertically integrated medical cannabis company focused on intensifying its investment in pharmaceutical development internationally while maintaining the highest European pharmaceutical quality standards to expand its Avextra-branded pharmaceutical products.

Over the course of the reporting period, in April 2022, SEED invested a further €176,474 into Avextra's fundraise of € 4.4M which was held at a 62% premium to its July 2021 fundraise, with the funds being used for development of the Portuguese facility and further acceleration of product development. Eurox Group GmbH rebranded to Avextra to emphasise its clear focus on the highest quality cannabis extracts and its commitment to the development of evidence-based cannabis medicines.

In October Avextra successfully raised c. €7.4 million via a secured convertible loan note ('CLN'), SEED did not partake in the fundraise. The funds will be used to support Avextra's launch in Germany, R&D activities including the start of clinical studies, as well as furthering the expansion of their Portuguese operations.

Avextra successfully exported EU-GMP standardised cannabis extracts manufactured in its German facility to its distribution partner in the United Kingdom. The Export is a significant milestone that validates the regulatory pathway for medical cannabis products from Germany.

Post period saw Avextra close a €17 million capital raise, a number which includes a previously announced €7.4 million from the first close of the round. The fundraise will be used to expand sales and distribution channels of Avextra's product portfolio into new European markets, expedite Cannabis-based medication clinical trials, advance its R&D activities as well as further its expansion into the German market.

CiiTech Limited ('CiiTECH')

CiiTECH was an established research-led cannabis healthcare company. It used its partnerships with leading institutions and scientists to create consumer focused brands, company dedicated to ongoing cannabis research and the commercialisation of cannabis products and the best science-led brands.

As previously reported, the SEED management had written the value of the holding to nil following the uncertainty of required future fundraisings and the potential ongoing viability of the company as a result. The company failed to raise funds and was put into Administration and has been wound up. This is a total loss and will be removed from future reporting.

INVESTING POLICY

FOR THE YEAR ENDED 31 MARCH 2023

The Board proposes to invest in companies which, in normal circumstances, individual investors may have limited access to.

Investments sought will be in sectors which have, or have the potential for, significant intellectual property, principally in the wellness and life sciences sectors (including biotech, longevity of life and pharmaceuticals) along with aligned technology sectors (including artificial intelligence and digital delivery). Equally the Board will consider investments in established industries where the business is applying new technologies and/or 'know how' to enhance its offering or taking established business models or products to new markets. In keeping with its desire to provide its shareholders with access to investments they may otherwise not be able to participate in, the Board also intends to apply a portion of the portfolio to opportunistic investments which may, by exception, fall outside the above criteria but represent good potential for short term returns. Such investments will be limited at 15% of the Company's NAV and would typically be in fundraisings by listed companies or as part of an IPO.

Initially the geographical focus will be North America and Europe but investments may also be considered in other regions to the extent that the Board considers that valuable opportunities exist and positive returns can be achieved.

In selecting investment opportunities, the Board will focus on businesses, assets and/or projects that are available at attractive valuations and hold opportunities to unlock embedded value. In line with the existing portfolio it is expected that investments will be in SMEs with sub £100m valuations but with the potential for significant growth. Where appropriate, the Board may seek to invest in businesses where it may influence the business at a board level, add its expertise to the management of the business, and utilise its industry relationships and access to finance. The extent that the Company will be a passive or active shareholder will depend on the interest held and the maturity of the investee company.

The Company's interests in a proposed investment and/or acquisition will range from minority positions to full ownership and will comprise multiple investments. The proposed investments may be in either quoted or unquoted companies; are likely to be made by direct acquisitions or investments; and may be in companies, partnerships, earn-in joint ventures, debt or other loan structures, joint ventures or direct or indirect interests in assets or businesses.

The Company will pursue a balanced portfolio of an even mixture of early stage, pre-liquidity event and liquid investments which it will aim to hold within the portfolio for 2-4 years, 6-24 months and up to 12 months respectively. Whilst the target is to have the portfolio split fairly evenly between the different stages of liquidity there will be no set criteria for which the Company will hold an investment and the proportion of the portfolio which will be represented by each investment type.

There is no limit on the number of projects into which the Company may invest. The Directors intend to mitigate risk by appropriate due diligence and transaction analysis. The Board considers that as investments are made, and new promising investment opportunities arise, further funding of the Company may also be required.

Where the Company builds a portfolio of related assets it is possible that there may be cross holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. Investments are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Board may also offer new Ordinary Shares by way of consideration as well as or in lieu of cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

The Board will conduct initial due diligence appraisals of potential businesses or projects and, where it believes that further investigation is warranted, it intends to appoint appropriately qualified persons to assist. The Board believes it has a broad range of contacts through which it is likely to identify various opportunities which may prove suitable.

INVESTING POLICY (continued)

FOR THE YEAR ENDED 31 MARCH 2023

The Board believes its expertise will enable it to determine quickly which opportunities could be viable and so progress quickly to formal due diligence. The Company will not have a separate investment manager. The Board proposes to carry out a comprehensive and thorough project review process in which all material aspects of a potential project or business will be subject to rigorous due diligence, as appropriate. Due to the nature of the sectors in which the Company is focused it is unlikely that cash returns will be made in the short to medium term on the majority of its portfolio; rather the Company expects a focus on capital returns over the medium to long term.

SEED INNOVATIONS LIMITED

DIRECTORS

Ian Burns (Non-Executive Chairman)
Mr Burns is a fellow of both the Institute of Chartered Accountants in England & Wales and a member of STEP. He is the founder and Executive Director of Via Executive Limited, a specialist management consulting company and the Managing Director of Regent Mercantile Holdings Limited, a privately-owned investment company. He is licensed by the Guernsey Financial Services Commission as a personal fiduciary.

Mr Burns is currently a Non-Executive Director and audit committee chairman of River & Mercantile UK Micro Cap Ltd and Twenty Four Income Fund Limited. He is also a Non-Executive Director of Darwin Property Management (Guernsey) Limited, Curlew Capital Guernsey Limited and Premier Asset Management (Guernsey) Ltd. as well as Chairman of One Hyde Park Limited.

Ed McDermott (Chief Executive Officer)
Mr McDermott, a former investment banker, has over 20 years' experience in the management, financing, and strategic development of growth companies. He has broad experience in several high growth sectors and previously held several Executive and Non- Executive roles with publicly quoted companies. As a finance specialist, he has been pivotal in raising over $750m for public and private companies during his career.

Mr McDermott is a co-founder and was Managing Director of Europe's largest medical cannabis company, EMMAC Life Sciences, which was acquired by Curaleaf international in a deal worth over $400m. He has previously held a number of Executive and Non-Executive roles with publicly quoted companies.

Lance De Jersey (Finance Director)
Mr De Jersey is a member of the Institute of Chartered Secretaries and Administrators and The Institute of Directors. He previously headed Partners Group's Guernsey office, serving on the Guernsey boards and chairing the Risk & Audit and AML committees and was a member of the Investment Oversight committee. He has over ten years' experience in private equity investment administration and management.

In the past, Mr De Jersey has owned and operated retail franchises, marketed and sold small businesses as a business broker and worked as a financial adviser in New Zealand. He is currently a Non-Executive Director of Pearl Holding Limited and Partners Group Private Equity Performance Holdings Limited (both investment funds managed by Partners Group) and is former secretary and vice chairman of the Channel Island Private Equity and Venture Capital Association.

Luke Cairns (Non-Executive Director)
Mr Cairns is a highly experienced finance professional with a strong network having worked in the City of London for 19 years in corporate finance. A Guernsey resident, Mr Cairns was previously Head of Corporate Finance and Managing Director at Northland Capital Partners, an AIM focused Nomad and Broker, and has worked with many growth companies across a number of sectors and regions on a wide range of transactions, including IPOs, secondary fundraisings, corporate restructurings and takeovers. Mr Cairns has also held directorships on both listed and private companies across various sectors.

SEED INNOVATIONS LIMITED

REPORT OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2023

The Directors are pleased to present their Annual Report and the audited financial statements of SEED Innovations Limited (the “Company”) for the year ended 31 March 2023.

Status and Activities
The Company is a closed-ended investment company.

The Company is domiciled and incorporated as a limited liability company in Guernsey.

The registered office of the Company is PO Box 343, Obsidian House, La Rue D'Aval, Vale, Guernsey GY6 8LB.

The Company is quoted on Alternative Investment Market, a market operated by the London Stock Exchange ("AIM").

With effect from 3 May 2018 the Company has been authorised as a closed-ended investment scheme by the Guernsey Financial Services Commission (the "GFSC") under Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 2020 and the Authorised Closed-Ended Investment Schemes Rules 2021.

Results
The results of the Company for the year are shown on page 26. The Company made a loss for the year of £4.5 million (2022: Loss £4.5 million).

Dividends
The Company did not pay any dividends during the year (2022: £Nil) and the Directors do not propose a final dividend for the year (2022: £Nil).

Investments
Details of the Company’s investments are disclosed in the Investment Portfolio Report and notes 12, 13 and 19.

Material Contracts
The Company’s material contracts are with:
• Obsidian Fund Services Limited (“Obsidian”), which acts as Administrator and Company Secretary;
• Share Registrars Limited, which acts as Registrar;
• Beaumont Cornish Limited, which acts as Nominated Adviser; and
• Shard Capital, which acts as Broker.

Directors
The present members of the Board are listed on page 3 of this report. There were no changes to the Board during the year. There are service contracts in place between each of the Directors and the Company. Details of Directors’ remuneration, bonuses and Options granted to the Directors are disclosed in note 7.

Mr Burns is the legal and beneficial owner of Smoke Rise Holdings Limited, which held 1,674,024 (0.79%) Ordinary Shares (2022: 1,374,024 (0.65%)) in the Company at 31 March 2023 and the date of signing this report.

Mr De Jersey held 400,000 (0.19%) (2022: 400,000) Ordinary Shares in the Company at 31 March 2023 and at the date of signing this report.

Mr McDermott held 4,680,000 (2.2%) Ordinary Shares (2022: Nil) in the Company at 31 March 2023 and at the date of signing this report.

Further details are explained in note 18.

Substantial Interests as at date of signing

The following interests in 3% or more of the issued Ordinary Shares of the Company:

	Number of Ordinary Shares	**Percentage of Share Capital**
Investors:		
Peter Saladino	17,194,590	8.08%
Jim Mellon	14,783,722	6.95%
Norbert Teufelberger	7,205,005	3.39%
Richard Hackett	7,122,952	3.35%

Going Concern

After making reasonable enquiries, and assessing all data relating to the Company's liquidity, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Company. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Directors note that the Company has sufficient cash and cash equivalent resources to meet its obligations for at least one year after the approval of these financial statements.

Corporate Governance

As a Guernsey incorporated company and under the AIM Rules for Companies, the Company is not required to comply with the UK Corporate Governance Code published by the Financial Reporting Council (the "FRC Code"). However, the Directors place a high degree of importance on ensuring that high standards of Corporate Governance are maintained and that the Company complies with the Finance Sector Code on Corporate Governance, issued by the Guernsey Financial Services Commission.

Board Responsibilities

At 31 March 2023, the Board comprised of two Executive Directors, being Messrs. De Jersey and McDermott; and two Non-Executive Directors, Mr Burns, and Mr Cairns.

The Board has engaged Obsidian to undertake the administrative duties of the Company. Clearly documented contractual arrangements are in place with this service provider which define the areas where the Board has delegated responsibility to it.

The Company holds at least three Board meetings per year, at which the Directors will review the Company's investments and all other important issues to ensure control is maintained over the Company's affairs.

The Company is self-managed, in that day-to-day investment management recommendations are made by the Executive Directors, supported by analysis provided by the Board and the VP of Investment Analysis.

Board Committees

Audit Committee

Mr Cairns was appointed chairman of the audit committee with effect from 5 June 2020, succeeding Mr Burns. All other Directors are members of the Audit Committee.

The Audit Committee meets at least once a year and provides a forum through which the Company's Auditor reports to the Board. The Audit Committee examines the effectiveness of the Company's internal controls, the Annual Report and Financial Statements, the Auditor's remuneration and engagement as well as the Auditor's independence and any non-audit services provided by them. The Audit Committee receives information from the Administrator, the Company Secretary and the Auditor. The Audit Committee has formal written terms of reference, which are available upon request from the Company Secretary.

Remuneration and Nomination Committee

Mr Burns is chairman of the Remuneration and Nomination Committee. Mr Cairns is a member of the Remuneration and Nomination Committee. The function of the Remuneration and Nomination Committee is to consider the remuneration, and the appointment and reappointment, of Directors.

The Company is committed to the principle of diversity and equal opportunities. The Board will continue to review the composition of the Board to ensure it has the appropriate structure, diversity and skills to meet the needs of the Company as it develops.

Shareholders vote on the re-appointment or election of at least one Director at each Annual General Meeting ("AGM"), with every Director's appointment being voted on by Shareholders every three years. Messrs. McDermott & Cairns will be proposed for re- election at the forthcoming AGM.

Board Meetings

All members of the Board are expected to attend each Board meeting and to arrange their schedules accordingly, although non-attendance may be unavoidable in certain circumstances. Directors' attendance at Board and Committee meetings during the financial year is set out below.

	Board Meetings	**Committee Meetings**
Ian Burns (appointed 12 November 2014)	6/7	3/3
Ed McDermott (appointed 12 February 2018)	7/7	2/3
Lance De Jersey (appointed 3 January 2019)	7/7	3/3
Luke Cairns (appointed 3 January 2020)	7/7	2/3

Dialogue with Shareholders

The Directors are always available to enter into dialogue with shareholders. All ordinary shareholders will have the opportunity, and indeed are encouraged, to attend and vote at future Annual General Meetings during which the Board will be available to discuss issues affecting the Company.

The Board monitors the trading activity and shareholder profile on a regular basis and maintains contact with the Company's Broker to ascertain the views of shareholders. Shareholder sentiment is also ascertained by the careful monitoring of the premium/discount that the Ordinary Shares are traded at in the market when compared to those experienced by similar companies.

The Company reports formally to shareholders twice a year. Additionally, current information is provided to shareholders on an ongoing basis through the Company website and Regulatory News Service ('RNS') announcements. The Company Secretary monitors the voting of the shareholders and proxy voting is taken into consideration when votes are cast at the Annual General Meeting.

Litigation

The Company is not engaged in any litigation or claim of material importance, nor, so far as the Directors are aware, is any litigation or claim of material importance pending or threatened against the Company.

Internal Control and Financing

The Board is responsible for establishing and maintaining the Company's system of internal control. Internal control systems are designed to meet the particular needs of the Company and the risks to which it is exposed, and, by their very nature, provide reasonable, but not absolute, assurance against material misstatement or loss. The key procedures which have been established to provide effective internal controls are as follows:

- Obsidian Fund Services Limited is responsible for the provision of administration and Company Secretarial duties;
- The Board defines the duties and responsibilities of the service providers and advisers in the terms of their contracts; and
- The Board reviews financial information produced by the Administrator on a regular basis.

The Company does not have an internal audit department. All of the Company's administrative functions are delegated to independent third parties and it is therefore felt that there is no need for the Company to have an internal audit facility.

The Board feels that the procedures employed by the service providers adequately mitigate the risks to which the Company is exposed.

Risk Profile

Financial Risks

The Company's financial instruments comprise investments, cash and cash equivalents, and various items such as receivables and payables that arise directly from the Company's operations.

The main risks arising from holding these financial instruments are market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. Further details are given in note 19 to the financial statements.

Independent Auditor

Grant Thornton Limited was appointed as auditor of the Company effective from 9 December 2020.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards as issued by the International Standards Board, of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

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

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies (Guernsey) Law, 2008.

Statement of Directors' Responsibilities (continued)

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.

The Directors are also responsible for the maintenance and integrity of the website on which these financial statements are published. The work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to the Auditor

The Directors who held office at the date of approval of this Report confirm that, so far as they are 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.

On behalf of the Board

Lance De Jersey	*Ian Burns*
Director	Director
26 June 2023	26 June 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Seed Innovations Limited

Opinion

We have audited the financial statements of Seed Innovations Limited (the "Company") for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies..

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of the Company's loss for the year then ended;
- are in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"); and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.

The key audit matter	How the matter was addressed in our audit
Valuation of unquoted investments (2023: £16.02 million and 2022: £19.52 million) 95% (2022: 86%) of the carrying value of the Company's investments, consist of unquoted investments which are valued using different valuation techniques and involve significant judgment, as described in Notes 3 d), 4 and 13 to the financial statements. The valuations are subjective, with a high level of judgement and estimation linked to the determination of the fair values. As a result, there is a risk of an inappropriate valuation method being applied, together with the risk of inappropriate inputs to the model/calculation being selected which might result in the fair value being materially misstated. The valuation of unquoted investments is the key driver of the Company's net asset value and total return. Incorrect valuation could have a significant impact on the net asset value of the Company and therefore the return generated for shareholders. *Refer to the Report of the Chief Executive Officer, Report of Directors, Accounting policies in Notes 3 d), and Notes 4 and 13 to the financial statements for additional information.*	Our audit procedures consisted of: • Updated our understanding of the Company's processes, policies and methodologies, including the use of industry-specific measures, and policies for valuing unquoted investments held by the Company and confirmed our understanding by performing walkthrough tests to assess the design and implementation of key controls; • We obtained and inspected the valuation models and supporting data to assess whether the data used is appropriate and relevant, and discussed these with management to evaluate whether the fair value of unquoted investments is reasonably stated, challenging the assumptions made by management; • We agreed valuation inputs to independent sources and supporting evidence obtained from management, and tested the arithmetical accuracy of the Company's calculations; • We agreed the valued per the valuation models to the portfolio statement in the financial statements; and • We evaluated the appropriateness of the valuation methodologies used and whether appropriate disclosures were made in the financial statements in accordance with IFRS.;

The key audit matter	How the matter was addressed in our audit
	Our result We have no material matters arising from our audit work on the valuation of unquoted investments that we wish to bring to your attention.

Other information in the Annual Report

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements but does not include 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.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with IFRSs as issued by the IASB, 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wynand Pretorius.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

DS

Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey

Date: 26 June 2023

SEED INNOVATIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Net realised loss on disposal of financial assets at fair value through profit and loss	12	(836)	(1,951)
Net unrealised loss on revaluation of financial assets at fair value through profit and loss	12	(3,056)	(1,781)
Interest income on financial assets at fair value through profit and loss		102	104
Total investment loss		**(3,790)**	**(3,628)**
Other income			
Bank Interest income		3	-
Arrangement fee		9	-
Total other income		**12**	**-**
Expenses			
Directors' remuneration and expenses	7	(340)	(373)
Recognition of Directors share based expense		(30)	(32)
Legal and professional fees		(77)	(151)
Other Expenses	8	(183)	(226)
Administration fees		(41)	(72)
Adviser and broker's fees		(73)	(74)
Total expenses		**(744)**	**(928)**
Net loss before losses and gains on foreign currency exchange		**(4,522)**	**(4,556)**
Net foreign currency exchange gain		63	46
Total comprehensive loss for the year		**(4,459)**	**(4,510)**
Loss per Ordinary share - basic and diluted	10	**(2.10p)**	**(2.12p)**

The Company has no recognised gains or losses other than those included in the results above.

All the items in the above statement are derived from continuing operations.

The accompanying notes on pages 30 to 50 form an integral part of these financial statements.

SEED INNOVATIONS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	31 March 2023 £'000	31 March 2022 £'000
Non-current assets			
Financial assets at fair value through profit or loss	12	16,019	19,524
		16,019	**19,524**
Current assets			
Cash and cash equivalents		30	922
Other receivables	14	50	57
		80	**979**
Total assets		**16,099**	**20,503**
Current liabilities			
Payables and accruals	15	(67)	(42)
		(67)	**(42)**
Net assets		**16,032**	**20,461**
Financed by			
Share capital	16	2,127	2,127
Employee stock option reserve		-	212
Other distributable reserve		13,905	18,122
		16,032	**20,461**
Net assets per Ordinary share - basic and diluted	17	7.54	9.62

The financial statements on pages 26 to 50 were approved by the Board of Directors on 26 June 2023 and were signed on their behalf by:

Ian Burns

Ian Burns
Director

Lance De Jersey

Lance De Jersey
Director

SEED INNOVATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

		Share Capital £'000	Employee share option reserve £'000	Other distributable reserve £'000	Total £'000
Balance as at 1 April 2021	**Note**	**2,127**	**180**	**22,632**	**24,939**
Total comprehensive loss for the year		-	-	(4,510)	(4,510)
Transactions with shareholders					-
Employee share scheme - value of employee services	7	-	32	-	32
Balance as at 31 March 2022		**2,127**	**212**	**18,122**	**20,461**
Balance as at 1 April 2022		**2,127**	**212**	**18,122**	**20,461**
Total comprehensive loss for the year		-	-	(4,459)	(4,459)
Transactions with shareholders					
Employee share scheme - value of employee services	7	-	30	-	30
Transfer of value of lapsed options			(242)	242	-
Balance as at 31 March 2023		**2,127**	**-**	**13,905**	**16,032**

The accompanying notes on pages 30 to 50 form an integral part of these financial statements.

SEED INNOVATIONS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Cash flows from operating activities			
Total comprehensive loss for the year		(4,459)	(4,510)
Adjustments for:			
Unrealised loss on fair value adjustments on financial assets at FVTPL	12	3,056	1,781
Realised loss on disposal of financial assets at FVTPL	12	836	1,951
Foreign exchange movement		(63)	(46)
Directors' share based payment expense		30	32
Finance income		(102)	(104)
Changes in working capital:			
Decrease/(Increase) in other receivables and prepayments	14	7	(4)
Increase/(Decrease) in other payables and accruals	15	25	(27)
Net cash outflow from operating activities		**(670)**	**(927)**
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss	12	(443)	(5,777)
Disposal of financial assets at fair value through profit or loss	12	158	5,905
Net cash (outflow)/inflow from investing activities		**(285)**	**128**
Decrease in cash and cash equivalents		**(955)**	**(799)**
Cash and cash equivalents brought forward		922	1,675
Foreign exchange movement		63	46
Cash and cash equivalents carried forward		**30**	**922**

SEED INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. General Information

SEED Innovations Limited (the "Company") is an authorised closed-ended investment scheme. The Company is domiciled and incorporated as a limited liability company in Guernsey. The registered office of the Company is PO Box 343, Obsidian House, La Rue D'Aval, Vale, GY6 8LB.

The Company's objective is to invest in disruptive technologies with significant intellectual property rights which they are seeking to exploit, principally within the technology sector (including digital and content focused businesses), life sciences sectors (including biotech and pharmaceuticals) and health and wellness sectors. This includes investing in the cannabinoid sector where there has been increased investor momentum due to regulation changes, and as companies' profiles grow and investment in the sector becomes more mainstream. The Company's main geographical focus will be in North America and Europe though investments may also be considered in other regions to the extent that the Board considers that valuable opportunities exist, and positive returns can be achieved. The objective of the Company is to also provide its investors with exposure to disruptive growth opportunities, with a mix of liquid, pre-liquid and longer term investments, which taken together greatly reduces the risk of the portfolio whilst giving much clearer visibility on potential returns.

The Company's Ordinary Shares are quoted on AIM, a market operated by the London Stock Exchange and is authorised as a Closed-ended investment scheme by the Guernsey Financial Services Commission (the "GFSC") under Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 2020 and the Authorised Closed-Ended Investment Schemes Guidance and Rules 2021.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international Standards Board ("IASB") and applicable legal and regulatory requirements of the Companies (Guernsey) Law, 2008. The financial statements have been prepared under the historical cost convention except for financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

In the current year, the Company has adopted all the applicable new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 April 2022. The adoption of the standards and interpretations has not had a significant impact on the content or presentation of these financial statements; refer below for additional consideration.

(a) Standards and amendments to existing standards effective 1 April 2022
There are no standards, amendments to standards or interpretations that are effective for the annual period beginning on on or after 1 April 2022 that have a material effect on the financial statements of the Company.

(b) New standards, amendments and interpretations effective after 1 April 2022 and have not been early adopted
A number of new standards, amendments to standards and interpretations are effective for the annual periods beginning on or after 1 April 2022 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

3. Material Accounting Policies

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

a) Investment Income
Investment income is recognised on an accruals basis using the effective interest method and includes bank interest and interest from debt securities. Dividend income from investments designated at fair value through profit or loss is recognised through the Statement of Comprehensive Income within dividend income when the Company's right to receive payments is established.

b) Expenses
All expenses are accounted for on an accruals basis and, with the exception of share issue costs, are charged through the Statement of Comprehensive Income in the period in which they are incurred. Costs of issuing equity instruments are accounted for as a deduction from equity, net of any related income tax benefit.

c) Taxation
The Company is exempt from taxation in Guernsey. However, in some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Company presents the withholding tax separately from the gross investment income, if any, in the Statement of Comprehensive Income. For the purpose of the Statement of Cash Flows, cash inflows from financial assets are presented net of withholding taxes when applicable.

d) Financial instruments
Financial instruments are classified into financial assets and financial liabilities. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

(i) Recognition and initial measurement

Financial assets at fair value through profit or loss are recognised initially on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.
Financial assets at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

Business model assessment

On initial recognition, the Company classifies financial assets as measured at amortised cost or fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

3. Material Accounting Policies (continued)

All other financial assets are classified as measured at FVTPL.

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the Investment Manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents and other receivables. These financial assets are held to collect contractual cash flows; and
- Other business model: this includes investment in unquoted securities that were not held for trading purposes. These financial assets are managed and their performance is evaluated, on a fair value basis.

(iii) Assessment whether contractual cash flows are SPPI

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

(iv) Reclassification

Financial assets are not reclassified subsequent to their initial recognition unless the Company was to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

3. Material Accounting Policies (continued)

(v) Subsequent measurement

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, excluding any interest or dividend income and including foreign exchange gains and losses are recognised in profit or loss in the Statement of Comprehensive Income.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'interest income on financial assets at fair value through profit or loss', foreign exchange gains and losses are recognised in the Statement of Comprehensive Income. Any gain or loss on derecognition is also recognised in profit or loss.

(vi) Financial liabilities – classification and subsequent measurement

Non - derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other liabilities include other payables and accruals.

(vii) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Company utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the year end date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Company's valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

3. Material Accounting Policies (continued)

Transfers between levels of the fair value hierarchy
Where transfers between levels of the fair value hierarchy occur, they are deemed to have occurred at the beginning of the reporting period.

(viii) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount and for financial assets adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability at initial recognition. When calculating the effective interest rate, the Company estimates the future cash flows considering all contractual terms of the financial instruments but not the future credit losses.

(ix) Impairment

The Company recognises loss allowances for Expected Credit Losses ("ECL") on financial assets measured at amortised cost.
The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default:

- when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising assets (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

3. Material Accounting Policies (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;
- the underlying project is put on hold; and
- breach of contract such as a default or being more than 90 days past due.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses including reversals of impairment losses and gains are disclosed separately in the statement of profit or loss and other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(x) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- 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 assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Company has transferred substantially all the risks and rewards of the asset; or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

3. Material Accounting Policies (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or has expired.

(xi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

e) Cash and cash equivalents
Cash comprises of cash at bank. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

f) Foreign currency translation
Functional and presentation currency
The Company's Ordinary Shares are denominated in Sterling and are traded on AIM in Sterling. The primary activity of the Company is detailed in the Investing Policy on page 4. The performance of the Company is measured and reported to the investors in Sterling and the majority of the expenses incurred by the Company are in Sterling. Consequently, the Board of Directors considers that Sterling is the currency that most faithfully represents the effects of the underlying transactions, events and conditions. The financial statements are presented in Sterling, which is the Company's functional and presentation currency. All amounts are rounded to the nearest thousand.

Transactions and balances
Foreign currency transactions are translated into the functional currency using rates approximating to the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised through the Statement of Comprehensive Income. Translation differences on non-monetary financial assets and liabilities, such as financial assets designated at fair value through profit or loss, are recognised through the Statement of Comprehensive Income within the net unrealised change in fair value of investments.

g) Net assets per share
The net assets per Ordinary Share disclosed on the face of the Statement of Financial Position is calculated by dividing the net assets of the Company as at the year-end by the number of Ordinary Shares in issue at the year end.

h) Earnings/(Loss) per share
Basic earnings/(loss) per share
Basic earnings/(loss) per share is calculated by dividing:

- the profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements, if any, in ordinary shares issued during the year and excluding treasury shares.

3. Material Accounting Policies (continued)

Diluted earnings/(loss) per share
Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share to take into account:

- the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares;
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

i) Transaction costs
Transaction costs are the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. Transaction costs are legal and professional fees incurred to structure a deal to acquire the investments designated as financial assets at fair value through profit or loss. They include the upfront fees and commissions paid to agents, advisers, brokers and dealers and due diligence fees.

j) Equity
Ordinary shares are classified as equity. Where the Company purchases its own equity share (e.g. as the result of a share buy-back), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. The Company will present any Treasury shares acquired in the Statement of Changes in Equity as a deduction from ordinary shares.

Employee Share Option Reserve
Employee share options are valued when they are granted using the current accounting standard's fair value technique. However, the value of the options may be calculated at the conclusion of the vesting period or when they are exercised.

Other Distributable Reserve
The Company's cumulative profits and losses are known as distributable reserves. From time to time, the Company may transfer any sum that it considers to be realised to the distributable reserve (for example, if ordinary shares are sold for more than their par value, the excess will be moved to other distributable reserves).

k) Going concern
After making reasonable enquiries, and assessing all data relating to the Company's liquidity, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Company. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Directors note that the Company has sufficient cash and cash equivalent resources to meet its obligations for at least one year after the approval of these financial statements.

4. Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires the Board to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

4. Critical Accounting Estimates and Judgements (continued)

The Directors believe that the underlying assumptions are appropriate and that the financial statements are fairly presented. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Judgements

Assessment as an investment entity

In determining the Company meeting the definition of an investment entity in accordance with IFRS 10, it has considered the following:

- the Company has raised the commitments from a number of investors in order to raise capital to invest and to provide investor management services with respect to these private equity investments;
- the Company intends to generate capital and income returns from its investments which will, in turn, be distributed to the investors; and
- the Company evaluates its investment performance on a fair value basis, in accordance with the policies set out in these financial statements.

Although the Company met all three defining criteria, management has also assessed the business purpose of the Company, the investment strategies for the private equity investments, the nature of any earnings from the private equity investments and the fair value model. Management made this assessment in order to determine whether any additional areas of judgement exist with respect to the typical characteristics of an investment entity versus those of the Company. Management have therefore concluded that from the assessments made, the Company meets the criteria of an investment entity within IFRS 10.

Part of the assessment in relation to meeting the business purpose aspects of the IFRS 10 criteria also requires consideration of exit strategies. Given that the Company does not intend to hold investments indefinitely, management have determined that the Company's investment plans support its business purpose as an investment entity.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that: it holds more than one investment; the investments will predominantly be in the form of equities, derivatives and similar securities; it has more than one investor and the majority of its investors are not related parties.

Estimates and assumptions

Fair value of securities not quoted in an active market.

The Company may value positions by using its own models or commissioning valuation reports from professional third-party valuers. The models used in either case are based on valuation methods and techniques generally recognised as standard within the industry and in accordance with International Private Equity and Venture Capital Valuation (IPEV) Guidelines. The inputs into these models are primarily revenue or earnings multiples and discounted cash flows. The inputs in the revenue or earnings multiple models include observable data, such as the earnings multiples of comparable companies to the relevant portfolio company, and unobservable data, such as forecast earnings for the portfolio company. In discounted cash flow models, unobservable inputs are the projected cash flows of the relevant portfolio company and the risk premium for liquidity and credit risk that are incorporated into the discount rate. In some instances, the cost of an investment is the best measure of fair value in the absence of further information. Models are calibrated by back-testing to actual results/exit prices achieved to ensure that outputs are reliable, where possible.

4. Critical Accounting Estimates and Judgements (continued)

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The sensitivity to unobservable inputs is based on management's expectation of reasonable possible shifts in these inputs, taking into consideration historical volatility and estimations of future market movements.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

5. Segmental Information

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business, through its portfolio of investments in early stage businesses, with the aim of providing capital appreciation. The financial information used by the Chief Operating Decision Maker to manage the Company presents the business as a single segment.

Segment information is measured on the same basis as that used in the preparation of the Company's Financial Statements.

The Company receives no revenues from external customers. Other than its investments, the Company holds no non-current assets in any geographical area other than Guernsey.

6. Administration Fees

Obsidian Fund Services Limited ("Obsidian") was the Administrator of the Company during the year and was entitled to an administration fee of £40,000 per annum with an additional fee of £500 per Board or Committee meeting above the eight meetings covered by the administration fee.

In the year ended 31 March 2023, a total of £40,759 (2022: £13,787) was charged to the Statement of Comprehensive Income for Obsidian, of which £3,333 was payable at the financial reporting date (2022: £3,333).

The Administrator is also entitled to recover by way of reimbursement from the Company, transaction costs associated with the provision of specific services and reasonable out-of-pocket expenses incurred in the performance of its services to include any of the Administrator's approved services.

7. Directors' Remuneration

The Board agreed the following compensation packages for the Directors of the Company.

- Ian Burns is entitled to an annual remuneration of £36,000 (2022: £36,000).
- Ed McDermott is entitled to an annual remuneration of £161,760 (2022: £161,760). The Company granted Mr McDermott Options over 1,000,000 ordinary shares at 19 pence per share and further Options over 1,000,000 ordinary shares at 25 pence per share. None of the options were exercised and all have now expired.

SEED INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

7. Directors' Remuneration (continued)

- Lance De Jersey is entitled to an annual remuneration of £106,000 (2022: £106,000).
- Luke Cairns is entitled to an annual remuneration of £36,000 (2022: £36,000).

Additional information on Directors' Remuneration is noted in related parties. Refer to note 18.

Year ended 31 March 2023

	Directors' Remuneration £'000	Discretionary Bonus £'000	Recognition of share based expense £'000	Total £'000
Ian Burns	36	-	-	36
Ed McDermott	162	-	30	192
Lance De Jersey	106	-	-	106
Luke Cairns	36	-	-	36
	340	-	30	370

Year ended 31 March 2022

	Directors' Remuneration £'000	Discretionary Bonus £'000	Recognition of share based expense £'000	Total £'000
Ian Burns	36	-	-	36
Ed McDermott	161	15	32	208
Lance De Jersey	110	15	-	125
Luke Cairns	36	-	-	36
	343	30	32	405

8. Other Expenses

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Regulatory and listing fees	27	25
Directors' and Officers' liability insurance	10	3
IT Costs	7	19
Consultancy fees	43	57
Salaries and Wages	84	114
Other expenses	12	8
	183	226

9. Tax effects of other comprehensive income

The Income Tax Authority of Guernsey has granted the Company exemption from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) (Amendment) Ordinance, 2012 and the income of the Company may be distributed or accumulated without deduction of Guernsey income tax. Exemption under the above mentioned Ordinance entails payment by the Company of an annual fee of £1,200 for each year in which the exemption is claimed. It should be noted, however, that interest and dividend income accruing from the Company's investments may be subject to withholding tax in the country of origin.

There were no tax effects arising from the other comprehensive income disclosed in the Statement of Comprehensive Income (2022: £Nil).

10. (Loss)/Earnings per Ordinary Share

The loss per Ordinary Share of 2.10p (2022: loss per Ordinary Share of 2.12p) is based on the loss for the year of £4,458,743 (2022: loss £4,510,294) and on a weighted average number of 212,747,395 Ordinary Shares in issue during the year (2022: 212,747,395 Ordinary Shares).

There are no dilutive effects on earnings per Ordinary Shares as all issued Options and Warrants expired without exercise during the year.

11. Dividends

During the year ended 31 March 2023, no dividend was paid to shareholders (2022: £Nil). The Directors do not propose a final dividend for the year ended 31 March 2023 (2022: £Nil).

12. Financial Assets designated at fair value through profit or loss

	31 March 2023	31 March 2022
	£'000	£'000
Fair value of investments brought forward	19,524	23,280
Purchases during the year	443	5,777
Proceeds from disposals during the year	(158)	(5,905)
Interest capitalised on convertible loan notes held	102	104
Realised losses on disposals during the year	(836)	(1,951)
Net unrealised loss on revaluation of investments	(3,056)	(1,781)
	16,019	**19,524**

13. Fair value of financial instruments

IFRS 13 requires the Company to classify financial instruments at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

• Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the year-end date;
• Level 2 - Those involving inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
• Level 3 - Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The valuations used to determine fair values are validated and periodically reviewed by experienced personnel, in most cases this validation and review is undertaken by members of the Board, however professional third-party valuation firms are used for some valuations and the Company also has access to a network of industry experts by virtue of the personal networks of the directors and substantial shareholders. The valuations prepared by the Company or received from third parties are in accordance with the IPEV Guidelines. The valuations, when relevant, are based on a mixture of:
• Market approach (utilising EBITDA or Revenue multiples, industry value benchmarks and available market prices approaches);
• Income approach (utilising Discounted Cash Flow, Replacement Cost and Net Asset approaches);
• Price of a recent transaction when transaction price/cost is considered indicative of fair value; and
• Proposed sale price.

As at 31 March 2023, 2 investments were valued as Level 1 investments within the fair value hierarchy, with the value being taken from the published bid price available as at that date (2022: 3 investments).

The remaining eight investments were included within the Level 3 category and subject to a Level 3 valuation approach. Of these seven positions, none were valued by way of third-party valuation reports. (2022: One of the eight Level 3 positions were valued by third party valuers, 40% of portfolio by value).

Whilst it is not intended that third party valuations will be commissioned for every investee company subject to Level 3 classification for each valuation point, the Board of the Company will continue to commission reports where deemed preferable.

Where investments are considered to be Level 3 investments for valuation purposes, it is required under IFRS 13 that information be provided about the significant unobservable inputs used in the fair value measurement. In the case of the Company a balance is necessary in providing commentary on such inputs, whilst at the same time not disclosing information about these private companies which they have indicated cannot be published (primarily for competitive reasons). The table below provides a summary of the valuations subject to unobservable inputs across the Company's investment portfolio, split by valuation methodology and an indicative aggregate value of the effect of either a more positive or negative valuation approach, without publication of specific metrics which could be identified as relating to any one investee company.

13. Fair value of financial instruments (continued)

Valuation Basis	**Aggregate Valuation**	**Range**	**(input)**	**Sensitivity**	**Effect on fair value**	
	£'000				**£'000**	**£'000**
Price of recent transaction (deal price)	14,838	n/a	n/a	-25% / 25%	(3,709)	3,709
Cost	370					
Quoted price	811					
Total	16,019					

A reconciliation of the opening and closing balances of assets designated at fair value through profit or loss classified as Level 1 is shown below:

	31 March 2023	**31 March 2022**
	£'000	£'000
Fair value of investments brought forward	2,632	5,455
Purchases during the year	-	1,922
Disposals proceeds during the year	(104)	(529)
Realised gains on disposals	4	384
Net unrealised change in fair value	(1,721)	(4,600)
Fair value of investments carried forward	811	2,632

A reconciliation of the opening and closing balances of assets designated at fair value through profit or loss classified as Level 3 is shown below:

	31 March 2023	**31 March 2022**
	£'000	£'000
Fair value of investments brought forward	16,892	17,825
Purchases during the year	443	3,855
Disposals proceeds during the year	(54)	(5,376)
Capitalised interest on loan	102	104
Realised losses on disposals	(840)	(2,335)
Net unrealised change in fair value	(1,335)	2,819
Fair value of investments carried forward	15,208	16,892

	31 March 2023	**31 March 2022**
	£'000	£'000
Level 1	811	2,632
Level 2	-	-
Level 3	15,208	16,892
Total	16,019	19,524

14. Other receivables

	31 March 2023	31 March 2022
	£'000	£'000
Prepaid expenses	50	56
Other receivables	-	1
	50	57

15. Payables and accruals

	31 March 2023	31 March 2022
	£'000	£'000
Administration fees	3	3
Audit fees	30	29
Legal & professional fees	6	1
Other accrued expenses	28	9
	67	42

16. Share Capital, Warrants, Options, Treasury shares and Other distributable reserves

		31 March 2023	31 March 2022
Authorised:		£'000	£'000
1,910,000,000 Ordinary Shares of 1p (2022: 1,910,000,000 Ordinary Shares)		19,100	19,100
100,000,000 Deferred Shares of 0.9p (2022: 100,000,000 Deferred Shares)		900	900
		20,000	20,000
Allotted, called up and fully paid:			
212,747,395 Ordinary Shares of 1p (2022: 212,747,395 Ordinary Shares)	(i)	2,127	2,127
Nil Deferred Shares of 0.9p (2022: Nil)	(ii)	-	-
Share options	(iii)	-	2,000,000
Warrants	(vi)	-	24,117,762
Treasury Shares:			
2,472,446 Treasury Shares of 1p (2022: 2,472,446)	(v)	25	25

(i) Ordinary Shares
During the year the Company did not issue new Ordinary Shares.

16. Share Capital, Warrants, Options, Treasury shares and Other distributable reserves (continued)

(ii) Deferred Shares
There were no changes to the number of deferred shares during the year.

(iii) Options
Share options relate to Ed McDermott and all expired during the year. Refer to note 18 for additional information.

(iv) Directors' Authority to Allot Shares
The Directors are generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities. The Directors may determine up to a maximum aggregate nominal amount of 100% of the issued share capital during the period until the following Annual General Meeting. The Guernsey Companies Law does not limit the power of Directors to issue shares or impose any pre-emption rights on the issue of new shares.

(v) Shares held in Treasury
There were no changes to the number of Shares held in Treasury during the year.

(vi) Warrants
Warrants expired unexercised during the year.

(vii) Other Distributable Reserves

	31 March 2023	**31 March 2022**
	£'000	£'000
Opening balance as at 1 April	18,122	22,632
Total comprehensive loss for the year	(4,459)	(4,510)
Transfer of value of lapsed options	242	-
Closing Balance as at 31 March	13,905	18,122

17. Net Assets per Ordinary Share

Basic and diluted
The basic and diluted net asset value per Ordinary Share is based on the net assets attributable to equity shareholders of £16,032,000 (2022: £20,461,000) and on 212,747,395 Ordinary Shares (2022: 212,747,395 Ordinary Shares) in issue at the end of the year. As all Warrants and Options expired unexercised during the year there was no dilutive effect as at 31 March 2023.

18. Related Parties

(i) Directors' remuneration
The Directors' remuneration for the year ended 31 March 2023 is disclosed in note 7. The Directors consider that there is no immediate or ultimate controlling party.

Ian Burns

Mr Burns is the legal and beneficial owner of Smoke Rise Holdings Limited, which held 1,674,024 (0.79%) Ordinary Shares (2022: 1,374,024 (0.65%)) in the Company at 31 March 2023 and the date of signing this report.

Mr Burns received an annual remuneration of £36,000 (2022: £36,000) with no discretionary bonus for the year (2022: Nil). There was no payable at the financial reporting date (2022: nil).

18. Related Parties (continued)

Ed McDermott

Mr McDermott held 4,680,000 (2.2%) Ordinary Shares (2022: Nil) in the Company at 31 March 2023 and at the date of signing this report.

Mr McDermott is entitled to an annual remuneration of £160,000 effective 1 April 2021.

Mr McDermott received annual remuneration of £161,760 (2022: £175,440) which included pension contributions of 1.1% of salary. There was no discretionary bonus (2022: £15,000). There was a payable at the financial reporting date of £13,186 (2022: nil).

Lance De Jersey

Mr De Jersey, Finance Director of the Company held 400,000 ordinary shares in the Company as at 31 March 2023 and at the date of signing of this report.

Mr De Jersey received annual remuneration of £106,000 (2022: £125,107). There was no discretionary bonus (2022: £15,000). There was a payable at the financial reporting date of £8,833 (2022: nil).

Luke Cairns

Mr Cairns, Non-Executive Director of the Company is entitled to annual remuneration of £36,000 per annum, effective from the date of his appointment on 3 January 2020.

Mr Cairns received annual remuneration of £36,000 (2022: £36,000) with no discretionary bonus (2022: Nil). There was no payable at the financial reporting date. (2022: nil).

(ii) Administrator of the Company

Obsidian Fund Services Limited (“Obsidian”) was the Administrator of the Company during the year and was entitled to an administration fee of £40,000 per annum with an additional fee of £500 per Board or Committee meeting above the eight meetings covered by the administration fee.

In the year ended 31 March 2023, a total of £40,759 (2022: £13,787) was charged to the Statement of Comprehensive Income for Obsidian, of which £3,333 was payable at the financial reporting date (2022: £3,333).

19. Financial Risk Management

The main risks arising from the Company’s financial instruments are credit risk, liquidity risk and market risk, and are set out below, together with the policies currently applied by the Board for their management. Market risk comprises three types of financial risk, being interest rate risk, currency risk and other price risk, being the risk that the fair value or future cash flows will fluctuate because of changes in market prices other than from interest rate and currency risks.

Treasury policies
The objective of the Company’s treasury policies is to manage the Company’s financial risk, secure cost effective funding for the Company’s operations and to minimise the adverse effects of fluctuations in the financial markets on the value of the Company’s financial assets and liabilities on reported profitability and on cash flows of the Company.

19. Financial Risk Management (continued)

The Company finances its activities with cash, short-term deposits with maturities of three months or less and market traded securities. Other financial assets and liabilities, such as receivables and payables, arise directly from the Company's operating activities. Derivative instruments may be used to change the economic characteristics of financial instruments in accordance with the Company's treasury policies.

The financial assets and liabilities of the Company were:

	31 March 2023	31 March 2022
	£'000	£'000
Financial assets at fair value through profit or loss		
Investments	16,019	19,524
Financial assets at amortised cost		
Other receivables	-	1
Cash and cash equivalents	30	922
	30	923
Financial liabilities at amortised cost		
Other payables	67	42

Prepayments of £50,000 (2022: £56,000) have been excluded from financial assets.

Credit risk

The Company takes on exposure to credit risk, which is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation.

The Company's credit risk is primarily attributable to its cash and cash equivalents, other receivables, short term loans and convertible loan notes to investees. In order to mitigate credit risk, the Company seeks to trade only with reputable counterparties that the management believe to be creditworthy.

The credit risk on cash and cash equivalents is limited by using banks with high credit ratings assigned by international credit-rating agencies. At the year end, an amount of cash and cash equivalents of £22,977 was placed with HSBC Bank plc (2022: £1,059,340). The Moody's counterparty risk rating for HSBC Bank plc was Aa3 as at 31 March 2023. Cash and cash equivalent of £1,637 (2022: £611) was held the Company's broker PI Financial Corp. Further an amount of cash and cash equivalent of £ 4,333 (2022: £12,139) was held by Optiva Securities Limited which is authorised and regulated by the United Kingdom Financial Conduct Authority and are Members of the London Stock Exchange.

Furthermore, the Company holds debt instruments - convertible loan notes of £1,945,000 which are classified as financial assets designated at fair value through profit and loss. The Company's credit risk is monitored from time to time by the Board and no debt instruments are considered past due nor impaired.

The Company's activities may give rise to settlement risk. 'Settlement risk' is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. For the majority of transactions, the Company mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval and limit monitoring processes by the Board.

19. Financial Risk Management (continued)

The investment in these debt instruments is considered to be of an equal risk to the equity investments held in other Level 3 investments as disclosed in Note 13.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Company invests in private equities, which, by their very nature, are illiquid. The Company incurs a range of fixed expenses for which it can budget.

As such it can appropriately plan as to how to maintain a sufficient cash balances to meet its working capital requirements.

Should it be identified that additional cash resources are required, the Company would propose to issue further equity to the market or to sell part of the investment(s) held in market traded securities.

The contractual undiscounted cash flows of the Company's financial liabilities, which are equal to the fair value of the Company's financial liabilities, comprise of payable within one year to the sum of £57,000 (2022: £42,000). The Company has no contractual commitment to invest further in any of its existing investments.

Market risk

(i) Price risk
The Company's private equity investments are susceptible to price risk arising from uncertainties about future values of the private equity investments or derivative financial instruments. This price risk is the risk that the fair value or future cash flows will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual investment or financial instrument or its holder or factors affecting all similar financial instruments or investments traded in the market, if any. Investments that are exposed to price risk are disclosed under level 1 in note 13.

Given the higher levels of market volatility in the current year, the Directors consider 30% (2022: 30%) best represents the margin of price risk associated with the Company risk. A 30% (2022: 30%) increase/decrease in the fair value of investments would result in a £242,580 (2022: £788,790) increase/decrease in the net asset value.

ii) Currency risk
The Company regularly holds assets (both monetary and non-monetary) denominated in currencies other than the functional currency (Sterling). It is therefore exposed to currency risk, as the value of the financial instruments denominated in other currencies will fluctuate due to changes in exchange rates.

Foreign currency risk, as defined in IFRS 7, arises as the values of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk, not foreign currency risk. The Company monitors the exposure on all foreign-currency-denominated assets and liabilities.

The Company monitors its exposure to foreign exchange rates and, where exposure is considered significant, appropriate measures would be adopted to minimise these exposures. The proportion of the net financial assets of the Company were denominated in currencies other than Sterling as follows:

19. Financial Risk Management (continued)

	31 March 2023	31 March 2022
	£'000	£'000
US Dollar		
Cash and cash equivalents	4	886
Financial assets at fair value through profit and loss	3,247	8,100
Euro		
Cash and cash equivalents	22	-
Financial assets at fair value through profit and loss	9,542	7,675
Canadian dollar		
Financial assets at fair value through profit and loss	-	351
Australian Dollar		
Financial assets at fair value through profit and loss	715	2,028
Net currency exposure	13,529	19,040

At 31 March 2023, if the exchange rate of the US Dollar had strengthened/weakened by 10% against the Sterling, with all other variables remaining constant, the increase/(decrease) in the profit for the year would amount to +/- £325,061 (2022: +/- £898,550).

At 31 March 2023, if the exchange rate of the Euro had strengthened/weakened by 10% against the Sterling, with all other variables remaining constant, the increase/(decrease) in the profit for the year would amount to +/- £956,365 (2022: +/- £767,500).

At 31 March 2023, if the exchange rate of the Australian Dollar had strengthened/weakened by 10% against the Sterling, with all other variables remaining constant, the increase/(decrease) in the profit for the year would amount to +/- £71,475 (2022: £202,780).

iii) Interest rate risk

The Company currently funds its operations through the use of equity. Cash at bank, the majority of which was in Euros at the year end, is held at variable rates. At the year end, the Company's financial liabilities did not suffer interest and thus were not subject to any interest rate risk.

20. Capital Management Policy and Procedures

The Company's capital structure is derived solely from the issue of Ordinary Shares.

The Company does not currently intend to fund any investments through debt or other borrowings but may do so if appropriate. Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Company may also offer new Ordinary Shares as consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

The Board monitors and reviews the structure of the Company's capital on an ad hoc basis. This review includes:

- The need to obtain funds for new investments, as and when they arise;
- The current and future levels of gearing;
- The need to buy back Ordinary Shares for cancellation or to be held in treasury, which takes account of the difference between the net asset value per Ordinary Share and the Ordinary Share price;
- The current and future dividend policy; and
- The current and future return of capital policy.

20. Capital Management Policy and Procedures (continued)

The Company is not subject to any externally imposed capital requirements.

21. Events after the Financial Reporting Date

On 11 April 2023 the Company announced that the sale of portfolio company Fralis LLC (trading as Leap Gaming, 'Leap') was to be considered unconditional and at completion. Sale proceeds of €2.8 million (£2.4 million) being 50% of the sale proceeds due to the Company under the agreement (and after adjustment for working capital and repayment of debt) and €268,000 (£235,000) being repayment of the Company's €250,000 term loan were received soon after the announcement. The second tranche of sale proceeds, being €2.8 million (calculated as the remaining 50% of the sale proceeds and subject only to any claims under customary warranties and indemnities,), is expected to be received in April 2024, being the 12-month anniversary of Completion, as per the terms of the Sale and Purchase Agreement ('SPA').

On 20 April 2023, the Company announced that its portfolio company, South West Brands Limited ('SWB') had entered into a SPA for the sale of SWB to female founded OTO International Limited ('OTO') for an enterprise value of £6,235,000 to be paid in OTO shares (the 'Sale'). OTO is an omni-channel premium wellness brand renowned for its use of holistic plant ingredients and CBD in its portfolio products and since inception in 2018 has delivered year-on-year revenue growth of 100% and is in a strong position to scale and reach profitability in the near term, whilst continuing to build significant brand equity across multiple territories. SEED will receive a total of £423,000 in OTO ordinary shares following conversion of the CLN's the Company holds in SWB and will be repaid cash of £167,000, being repayment of the £150,000 8% Convertible Loan Note ('CLN') plus accrued interest of £17,000, invested on 4 October 2021. Following a total investment into SWB of £500,000 by the Company, the total return represented by the Sale is £590,000, a blended return of 1.18 times the original investment. Following the completion of the Sale, SEED will hold 71,502 ordinary shares representing 1.4% of OTO.

On 24 April 2023 the Company announced the conversion of £600,000 Convertible Loan Notes ("CLNs") in Northern Leaf Limited ("Northern Leaf"), a Jersey based medical cannabis cultivator, following its successful £3 million pre-IPO fundraise, with a future IPO currently targeted for this year. The Company originally invested in Northern Leaf via a 2-year £600,000 Convertible Loan Note ("CLN") as part of a c.£14M raise by Northern Leaf (as announced 1 April 2021). Following a successful equity raise of c.£3 million, this CLN (principle and accrued interest of approximately 20%) has converted in accordance with the terms of the CLN into 1,236,331 preference shares in Northern Leaf, representing 2.2% of the enlarged equity of Northern Leaf. At the price of the recent raise, SEEDs holding was valued at £960,000, a 60% uplift (1.6X) including accrued interest compared to the original investment.