SEED INNOVATIONS LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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)

Alfredo Pascual (Executive Director)

Advisers

Administrator, Secretary and Registered Office
Obsidian Fund Services Limited
PO Box 343
Obsidian House, La Rue D'Aval
Vale
Guernsey
GY6 8LB

Nominated Adviser
Beaumont Cornish Limited
Building 3, Chiswick Park
566 Chiswick High Road
London
W4 5YA

Registrar
Share Registrars Limited
3 Millennium Centre
Crosby Way
Farnham
Surrey
GU9 7XX

Independent Auditor
Grant Thornton Limited
St James Place
St James Street
St Peter Port
Guernsey
GY1 2NZ

Brokers
Shard Capital Partners LLP
Floor 3
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London
EC3A 8BE

Guernsey Legal Adviser to the Company
Collas Crill
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WN

Investor Relations
St Brides Partners Ltd
4th Floor
22 Bishopsgate
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EC2N 4BQ

English Legal Adviser to the Company
Hill Dickinson LLP
The Broadgate Tower
20 Primrose Street
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EC2A 2EW

SEED INNOVATIONS LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

SEED continues to operate within the dynamic landscape of the small-cap health and wellness sector, which has undergone a challenging market and economic environment. Our strategy remains focused on identifying disruptive, high-growth opportunities within these markets, which we believe present significant potential for innovation and shareholder value creation. Often the best time to buy quality companies is when their market sector is unloved by the market in general. Accordingly, we are optimistic about the outlook for our portfolio companies and remain ready to capitalise on emerging trends and investment catalysts in the market.

We remain frustrated that the market does not understand the value and quality of our Net Asset Value (NAV). We have taken proactive measures during the year aimed at addressing the persistent, significant discount of the Company's market cap compared to NAV and to reflect its financial strength and commitment to shareholder value, including the Share Buyback programme and Special Dividend described below.

In the latter half of the financial year, we implemented a Share Buyback programme, which completed in May 2024, whereby Ordinary Shares were repurchased below net asset value. In total, £513,536 (including fees) was spent on the purchase of 19,797,500 shares at an average price per share of £0.0258 (2.58 pence). The programme has been funded from existing cash resources. The decision to initiate this programme was made considering shareholder feedback and the significant 56.9% discount in share price at that time relative to reported NAV, alongside robust cash and receivables of £7.1 million as of 11 September 2023.

We were also delighted to announce a maiden Special Dividend of 1.0 pence (£0.01) per SEED Share, post period end on 16 April 2024, following the successful completion of the realisation of the investment in our portfolio company Fralis LLC, trading as Leap Gaming, which was sold in April 2023. SEED's proceeds from this sale totalled €5.8 million (£5.1 million), which was received in two tranches: €3 million (£2.7 million) upon completion; and the remaining €2.8 million (£2.4 million) on 12 April 2024.

In tandem with the Share Buyback and Special Dividend, we have focused on utilising other strategic initiatives to enhance investor perception and communicate our intrinsic value proposition to the market. These include live investor events and leveraging digital and social media platforms to augment communication and connectivity with our shareholders and the market generally.

Looking ahead, we remain optimistic about SEED's current investment portfolio. The sector of the markets we invest in has undoubtedly had a tough time, which means that there are some investment opportunities available at historically low prices and, with approximately £3.9 million in cash post dividend, we are positioned to pursue opportunities that we anticipate will yield substantial returns for our shareholders.

We look forward to providing further updates on our portfolio in the near future.

Ian Burns

Ian Burns
Non-Executive Chairman

18 June 2024

SEED INNOVATIONS LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER

FOR THE YEAR ENDED 31 MARCH 2024

During the period, we have seen appreciation in one of our larger assets, Avextra AG, showing positive growth and Juvenescence maintaining stability. However, it is important to address some disappointing outcomes experienced with certain investments, namely Northern Leaf, OTO International Limited (OTO), and Inveniam Capital Partners, Inc. (Inveniam), which have faced notable challenges stemming from down rounds and struggling business models and listed positions in Portage and Little Green Pharma which have seen poor market price performance on their respective exchanges; such occurrences are unfortunately not uncommon across the market. Our investment pipeline remains robust, and we are actively seeking new opportunities.

It is evident that investors, both listed and private, remain risk-averse, particularly towards smaller, developing companies. This sentiment has affected the share price performance of funds like SEED. Despite these challenges, we believe that SEED is undervalued, trading (2.1 pence as at 31 May 2024) at a 69% discount to the Company's NAV as at 31 March 2024 (and still a 64% discount after adjustment for buy backs since 1 April 2024 and the Special Dividend payment).

As of 31 May 2024, SEED share price of £0.021 (2.1 pence) was up 9% compared to 31 March 2023 (and up 66.5% when comparing the adjusted close price which adjusts for the dividend payment), while the FTSE AIM All-Share Index was down 1% and the Thomson Reuters Venture Capital Index was up 43.5% over the same period.

Regarding our financial position, we ended the period with a healthy cash balance of £3.8 million, augmented by the final £2.4 million tranche received just a few days later on the 12 April 2024 from the sale of Leap Gaming announced in December 2022. After accounting for a Special Dividend and share buyback initiatives, we retain approximately £3.9 million for new and follow-on investments as at the publication of this report. Holding cash in the current economic climate, where interest rates remain high, provides us with flexibility and strategic advantage.

SEED remains committed to rewarding our shareholders through various initiatives, including our Share Buyback programme, and recently announced Special Dividend. We aim to replenish the funds expended on these initiatives through future NAV increases on our investments as they realise their potential.

Additionally, we have enhanced our visibility in the market through increased news flow and the dissemination of G-Force short videos on social media platforms. We have also hosted in-person events, including a shareholder event in November 2023, along with appearances by our team at Proactive Investors and Master Investor events.

In conclusion, SEED is committed to enhancing shareholder engagement and value through diverse strategies. With our enviable cash position and robust investment pipeline, we are well-positioned to deliver new investments and drive growth in the foreseeable future.

The NAV of the Company at 31 March 2024 was £13,604,000 (2023: £16,032,000), equal to net assets of 6.73p per Ordinary Share (2023: 7.54p per Ordinary Share).

Ed McDermott

Ed McDermott CEO

18 June 2024

SEED INNOVATIONS LIMITED

INVESTMENT PORTFOLIO REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The table below lists the Company's holdings at 31 March 2024 and 31 March 2023.

Holding	Category	Valuations at 31 March 2023 £'000	Valuations at 31 March 2024 £'000	% of Nav
Juvenescence Limited	Biotech	2,556	2,509	18.4%
Avextra AG*	Biotech/ Cannabis	4,436	2,740	20.1%
Clean Food Group Ltd**	Biotech	965	1,182	8.7%
Little Green Pharma	Biotech/ Cannabis	715	529	3.9%
Inveniam Capital Partners, Inc.	Fintech	596	344	2.5%
Portage Biotech Inc.	Biotech	94	17	0.1%
OTO International Ltd (SWB)***	CBD Wellness	590	-	-
Northern Leaf Ltd	Biotech/ Cannabis	960	-	-
Leap Gaming	Gaming	5,106	-	-
Total Investment Value		16,019	7,321	53.8%
Cash and receivables, net of payables and accruals		14	6,283	46.2%
Net Asset Value		16,032	13,604	100.0%

*Avextra movement in value follows the sale of 55% of this position for £2.45 million - for further information see the Avextra section below.

**Clean Food Group includes £216,000 further investment - see Clean Food Group section below for additional information

***Includes CLN due from SWB

Avextra AG (formally Eurox) ('Avextra')

Avextra is one of Europe's leading vertically integrated medical cannabis operators focused on the development and production of regulator-approved medicines. Founded in 2019 and based out of Germany, the company works in close collaboration with doctors and pharmacists to develop and produce precisely formulated cannabis-based medicines. Avextra controls the entire value chain – from cultivation in Portugal to EU-GMP certified extraction and manufacturing in Germany. Avextra operates across continental Europe through an expansive distribution network of multiple channels and strategically developed assets for these key markets.

Avextra remains focused on the German medical market, which is expected to expand following changes in German law-making medical cannabis a more mainstream medical treatment. Within the reporting period, Avextra exported EU-GMP standardised cannabis extracts manufactured at its German facility to its distribution partner in Italy, increasing its European footprint and validating its extract focused business strategy. It also announced a collaboration with the German Pain Association (DGS) to support patients suffering from Chemotherapy-induced neuropathic pain and announced an investment over the next five years of up to €15 million in the development of new medical cannabis research in partnership with the Portuguese Instituto Universitário de Ciências da Saúde-Cooperativa de Ensino Superior Politécnico e Universitário (IUCS-CESPU).

During the reporting period, SEED sold 55% of its holding in Avextra, amounting to 2,900 shares at €1,000 per share and realising €2.9 million (£2.45 million) in proceeds. It continues to hold 2,242 shares valued at £2.74 million (€3.21 million) as of 31 March 2024. The value of these remaining shares increased by approximately €1 million during the period. The carrying value of the remaining shares, priced at €1,430 each, represents a 13% discount to Avextra's latest equity raise price of €1,650 per share. This discount reflects the likelihood that the realisable value of the remaining stake in Avextra, if sold, would be at a discount to the latest equity raise price per share.

Juvenescence Ltd ('Juvenescence')

Juvenescence is a life sciences company developing therapies to modify aging and increase healthy human lifespan. It was founded by Jim Mellon, Dr. Greg Bailey, and Dr. Declan Doogan. The Juvenescence team consists of highly experienced drug developers, entrepreneurs, marketers, and investors with a significant history of success in pharmaceutical drug development, synthetic biology, and tissue and cellular engineering.

Juvenescence has a broad portfolio of products in development and is driving innovation, with a focus on discovering and developing these therapies to modify the aging process, through prevention and by regenerating damage, to support healthy aging and increase health span.

Juvenescence has undergone a strategic refocus towards a pharmaceutical-oriented offering, with funding raised at its subsidiary JuvRX to support drug development initiatives. SEED maintains exposure to the original company and JuvRX through its existing investment in JuvVentures (formerly known as Juvenescence Ltd). The valuation of this investment remains broadly unchanged from the prior period.

As well as JuvRx, Juvenescence has various other investments, which continue to develop. These include LyGenesis, which early in the year formed a research partnership with Imagine Pharma to develop novel cell therapies for patients with type 1 diabetes; raised +US$19 million in a Series A-2 financing round to complete its Phase 2a clinical trial and advance its pipeline of cell therapies; and post period end, dosed its first patient in its Phase 2a clinical trial of a first-in-class regenerative cell therapy for patients with end-stage liver disease.

Meanwhile, Serina Therapeutics. focused on Parkinson's and other neurological diseases, entered into a merger agreement with AgeX Therapeutics, Inc. (NYSE American: AGE), and Chrysea formed a partnership with Chalmers University of Technology to make/discover medicinal compounds called Benzylisoquinoline alkaloids (BIAs) using yeast and synthetic biology, and strengthened its capabilities in synthetic biology and biopharmaceutical products development with the acquisition of Rodon Biologics in February this year.

Fralis LLC, trading as Leap Gaming

In April 2023, Leap Gaming was sold to IMG Arena US, LLC, securing approximately €5.8 million in cash to SEED over a two-year period, with initial proceeds of €2.8 million and repayment of a term loan totalling €268,000. SEED announced the receipt of the remaining circa £2.4 million (€2.76 million) post period end in April 2024.

Clean Food Group Limited ('CFG')

CFG was co-founded by CEO Alex Neves and Co-Chairman (and SEED CEO) Ed McDermott in 2022 with the aim of becoming the leading sustainable oils and fats solutions provider to global food and cosmetics manufacturers. Its focus is on developing a scalable, non-GMO yeast technology that uses food waste as its food source, to deliver sustainable alternatives to traditional oil and fat ingredients. Oil plants, such as Palm and Soy are ubiquitous in food and cosmetics and remain in massive (and growing) demand despite the negative environmental impact when produced using traditional agricultural methods. To this end, Clean Food Group has brought together a knowledgeable board and advisory team, with deep and broad experience with biotechnology, life sciences and high-growth industries.

In the first half of the reporting period, SEED invested a further £216,000 in CFG alongside other investors and industrial food specialists such as AIM-listed Agronomics, Doehler Group, and Alianza Team. CFG raised an additional £2.5 million in March 2024 from the Clean Growth Fund, which will be used to accelerate the commercialisation of its sustainable oils and fats technology. CFG was also awarded £1 million in grant funding from the UK Government.

CFG and Roberts Bakery have formed a collaboration to use manufactured bread waste from Robert's as a feedstock for the production of CFG's oils and fats, pioneering sustainable practices and establishing a circular ecosystem to address food system challenges in the UK. Another strategic collaboration within the period was with Latin American food technology specialist Alianza Team to accelerate the market availability of healthy and sustainable oils and fats for global food manufacturers, combining CFG's microbial oils expertise with Alianza Team's experience in developing functional oils and fats.

SEED recognises the significant potential for further capital growth at CFG as it demonstrates the commercial scalability of its technology in the precision fermentation space, which is both exciting and fast-growing. There is a genuine possibility that this technology could have a transformative impact on the world, as well as creating significant further value for CFGs investors including SEED.

Little Green Pharma ('LGP')

Little Green Pharma is an Australian ASX-Listed (Ticker: LGP) global, vertically integrated, and geographically diverse medical cannabis business with operations from cultivation and production through to manufacturing and distribution.

Recent results for LGP in the quarter ended 31 March 2024 have been strong, with highlights including record quarterly cash receipts of A$8.1 million, up over 20% on previous corresponding period; record quarterly revenue of A$7.3 million (unaudited), up over 36% on previous corresponding period; record revenue of A$25.6 million (unaudited) for FY24, up nearly 30% on previous financial year; and cash in bank of A$5.0 million at 31 March 2024, up from A$3.7 million at 31 December 2023.

News generated during the period included significant findings from a large-scale cannabis study showing substantial improvements in pain, quality of life, and fatigue, strengthening its board structure, and the awarding of various contracts, which have expanded its footprint in Europe.

During the financial accounting period, LGP attempted to spin out RESET Mind Sciences, which was ultimately unsuccessful, partly due to SEED's regulatory constraints in the UK that prevented support. SEED continues to engage with LGP and closely monitor the RESET situation.

SEED views LGP as significantly undervalued compared to peers, with the ASX lagging behind the US and Canada in its support for medical cannabis stocks' recovery. SEED hopes that Australia will follow suit in due course, with LGP potentially pursuing a secondary listing elsewhere to lift its value in line with its improved trading results.

Inveniam Capital Partners ('Inveniam')

Inveniam is a private fintech company, which built Inveniam.io, a technology platform that uses big data, AI and blockchain technology to provide surety of data and high-functioning use of that data in a distributed data ecosystem. Despite a small position held after recent fundraising rounds, the valuation has decreased but remains at a 25% premium to the issue price of SEED's shares. We anticipate further fundraisings and the development of exciting blockchain technologies that support the tokenisation and potential future trading of diverse private market assets. Past performance of similar companies suggests that Inveniam could experience a significant rerating and valuation increase in the future if its technology can lead the race in providing these solutions.

OTO International Limited ('OTO')

OTO is an omni-channel premium CBD, wellness, and skincare brand.

SEED held 71,502 shares in OTO, representing approximately 0.44% of the issued share capital of this privately held company. Unfortunately, OTO experienced a cash flow crisis in 2023, leading to a down round equity raise later that year at £0.24 per share, a substantial discount compared to previous equity raises and the initial issue price of OTO shares to SEED (£5.91 per share) when OTO acquired SEED's investee company South West Brands ('SWB').

As of 31 March 2024, SEED valued its investment in OTO at £nil amid concerns regarding OTO's solvency and ability to continue operations.

Portage Biotech, Inc (‘Portage’)

NASDAQ listed Portage (Ticker: PRTG) is a clinical-stage immuno-oncology company advancing multi-targeted therapies to extend survival and significantly improve the lives of patients with cancer. The company is focused on advancing its potentially best-in-class adenosine antagonists in the ADPORT-601 trial of PORT-6 (adenosine 2A inhibitor) and PORT-7 (adenosine 2B inhibitor). These programmes are being advanced using innovative trial designs and translational data to identify the patient populations most likely to benefit from treatment. Its unique business model leverages a strong network of academic experts and large pharma partners to rapidly and efficiently advance multiple products.

SEED holds a small position in Portage and continues to monitor its share price with the intention to sell as appropriate.

Northern Leaf Ltd ('Northern Leaf')

Northern Leaf was focused on becoming a key player in the European medical cannabis supply chain, having already built a secure operational facility in Jersey.

Following the failure of its IPO ambition, a disappointing emergency fundraise at a down round in late 2023/early 2024, and unsuccessful merger with AQUIS-listed Voyager, SEED has written down its investment to a £nil valuation due to uncertainties regarding Northern Leaf's ability to recover and raise sufficient funds to sustain operations.

SEED INNOVATIONS LIMITED

INVESTING POLICY

FOR THE YEAR ENDED 31 MARCH 2024

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

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.

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, a fellow of both the Institute of Chartered Accountants in England & Wales and a member of STEP, is a serial entrepreneur and one of the original founders of the Company. He also founded and is 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 also a Non-Executive Director of Darwin Property Management (Guernsey) Limited and Curlew Capital Guernsey Limited, and 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).

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.

Alfredo Pascual (Director, Investment Research)
Mr Pascual, Chartered Financial Analyst, works on both assessing new investment opportunities and managing the relationships with existing investments' management teams. He joined SEED in April 2021 as VP of Investment Analysis and was appointed to the role of Executive Director in September 2023. Prior to SEED, Mr Pascual worked as an International Analyst at MJBizDaily, a leading cannabis industry business news and analysis resource. His coverage focused on the evolving legal cannabis markets and regulations in Europe and Latin America. Throughout his career, he has been recognized for his ability to provide unique insights for businesses and investors within the rapidly evolving legal cannabis industry. He holds a Bachelor's degree in Business Administration from the Catholic University of Uruguay and a Master's in Public Policy from the University of Passau in Germany.

SEED INNOVATIONS LIMITED

REPORT OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2024

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 2024.

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 .

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.

Changes during the year
On 1 September 2023, Mr Pascual was appointed as an Executive Director of the Company. Mr Pascual's biography is on page 12.

Results
The results of the Company for the year are shown on page 22. The Company made a loss for the year of £2.1 million (2023: Loss £4.5 million).

Dividends
The Company did not pay any dividends during the year (2023: £Nil) and the Directors do not propose a final dividend for the year (2023: £Nil).

Post year-end on 16 April 2024, the Company declared a special dividend of 1.0 pence (£0.01) per Ordinary Share.

Investments
Details of the Company’s investments are disclosed in the Investment Portfolio Report and notes 12, 13, 19 and 21.

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. Changes to the Board during the year are disclosed earlier on this page. 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 (0.83%) Ordinary Shares (2023: 1,674,024) in the Company at 31 March 2024 and the date of signing this report.

Mr De Jersey held 400,000 (0.20%) (2023: 400,000) Ordinary Shares in the Company at 31 March 2024 and at the date of signing this report.

Mr McDermott held 4,680,000 (2.32%) Ordinary Shares (2023: 4,680,000) in the Company at 31 March 2024 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:		
Jim Mellon	19,921,908	10.32%
Peter Saladino	17,194,590	8.91%
Norbert Teufelberger	7,205,005	3.73%

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 2024, the Board comprised of three Executive Directors, being Messrs. De Jersey, McDermott and Pascual; 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.

Board Committees

Audit Committee

The Audit Committee is comprised of the two non-executive directors of the Company. Mr Cairns was appointed chairman of the committee with effect from 5 June 2020, succeeding Mr Burns, who remains as a member.

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. Mr Burns 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)	10/11	2/2
Ed McDermott (appointed 12 February 2018)	11/11	1/2
Lance De Jersey (appointed 3 January 2019)	10/11	2/2
Luke Cairns (appointed 3 January 2020)	11/11	2/2
Alfredo Pascual (appointed 1 September 2023)	6/6	0/0

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 and has indicated their willingness to continue as auditors. A resolution to reappoint Grant Thornton Limited as Auditor will be put to the forthcoming AGM.

Statement of Directors' Responsibilities
The Directors are responsible for preparing the Annual Report and Audited Financial Statements in accordance with applicable law and regulations. The Companies (Guernsey) Law, 2008 (the "Company law") requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and its profit or loss for that year. The Directors are required to prepare the Financial Statements in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and applicable law. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether 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.

Statement of Directors' Responsibilities (continued)

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Company law. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the United Kingdom and Guernsey governing the preparation and dissemination of 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

Ian Burns	Lance De Jersey
Director	Director
18 June 2024	18 June 2024

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 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and its cash flows for year then ended;
- are in accordance with IFRS Accounting Standards ("IFRS") as issued by the International 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 (2024: 6.7 million and 2023: £15.02 million) 92% (2023: 95%) of the carrying value of the Company's investments consist of unquoted investments that are valued using different valuation techniques and involve significant judgment and estimates, 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 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	Our audit procedures consisted of, but were not restricted to the following: • 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. • Assessed and corroborated significant valuation inputs to independent sources and supporting evidence obtained from management and tested the arithmetical accuracy of the Company's calculations. • Performed research on publicly available information to assess for any contradictory evidence of specific events which would impact the fair value of the portfolio.

The key audit matter	How the matter was addressed in our audit
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.*	• Performed a sensitivity analysis on the inputs (i.e. latest transaction price) used in the valuation to understand the impact on the fair value of the equity investments. • Performed back testing procedures (i.e. historical investment price analysis and the comparison of price of investment at disposal to price as at 31 March 2023) to evaluate the appropriateness of management's valuation methodologies in the period. • Evaluated the reasonableness of the relevant valuation disclosures and notes to the financial statements, including the adequacy of the required disclosures. • Evaluated whether the fair value disclosures in the financial statements are appropriate, complete and in accordance with the requirements of IFRS 13 – Fair Value Measurement. **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, 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 the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 16, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS Accounting Standards 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 the 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 the Directors.
- Conclude on the appropriateness of the Directors' 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 the directors 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 the directors 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 Company's 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.

DocuSigned by:
Grant Thornton Limited
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Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey
Date: 18 June 2024

SEED INNOVATIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Note	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Net realised gain/(loss) on disposal of financial assets at fair value through profit and loss	12	1,077	(836)
Net unrealised loss on revaluation of financial assets at fair value through profit and loss	12	(2,296)	(3,056)
Interest income on financial assets at fair value through profit and loss		-	102
Total investment loss		**(1,219)**	**(3,790)**
Other income			
Bank Interest income		114	3
Arrangement fee		-	9
Total other income		**114**	**12**
Expenses			
Directors' remuneration and expenses	7	(385)	(340)
Recognition of Directors share based expense		-	(30)
Provision for loss on receivables	14	(108)	-
Legal and professional fees		(132)	(77)
Other Expenses	8	(207)	(183)
Administration fees		(44)	(41)
Adviser and broker's fees		(76)	(73)
Total expenses		**(952)**	**(744)**
Net loss before losses and gains on foreign currency exchange		**(2,057)**	**(4,522)**
Net foreign currency exchange (loss)/gain		(63)	63
Total comprehensive loss for the year		**(2,120)**	**(4,459)**
Loss per Ordinary share - basic and diluted	10	**(1.01p)**	**(2.10p)**

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 26 to 46 form an integral part of these financial statements.

SEED INNOVATIONS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
Non-current assets			
Financial assets at fair value through profit or loss	12	7,321	16,019
		7,321	**16,019**
Current assets			
Cash and cash equivalents		3,885	30
Other receivables	14	2,426	50
		6,311	**80**
Total assets		**13,632**	**16,099**
Current liabilities			
Payables and accruals	15	(28)	(67)
		(28)	**(67)**
Net assets		**13,604**	**16,032**
Financed by			
Share capital	16	2,020	2,127
Other distributable reserve		11,584	13,905
		13,604	**16,032**
Net assets per Ordinary share	17	6.73	7.54

The financial statements on pages 22 to 46 were approved by the Board of Directors on 18 June 2024 and were signed on their behalf by:

Ian Burns

Lance De Jersey

Ian Burns
Director

Lance De Jersey
Director

SEED INNOVATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2024

		Share Capital £'000	Employee share option reserve £'000	Other distributable reserve £'000	Total £'000
Balance as at 1 April 2022	**Note**	**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**
Balance as at 1 April 2023		2,127	-	13,905	16,032
Total comprehensive loss for the year		-	-	(2,120)	(2,120)
Transactions with shareholders					
Ordinary Share buyback		(107)		(201)	(308)
Balance as at 31 March 2024		**2,020**	**-**	**11,584**	**13,604**

The accompanying notes on pages 26 to 46 form an integral part of these financial statements.

SEED INNOVATIONS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Cash flows from operating activities			
Total comprehensive loss for the year		(2,120)	(4,459)
Adjustments for:			
Unrealised loss on fair value adjustments on financial assets at FVTPL	12	2,296	3,056
Realised (gain)/loss on disposal of financial assets at FVTPL	12	(1,077)	836
Foreign exchange movement		63	(63)
Directors' share based payment expense		-	30
Finance income		-	(102)
Changes in working capital:			
(Increase)/Decrease in other receivables and prepayments	14	(2,376)	7
(Decrease)/Increase in other payables and accruals	15	(39)	25
Net cash outflow from operating activities		**(3,253)**	**(670)**
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss	12	(216)	(443)
Disposal of financial assets at fair value through profit or loss	12	7,694	158
Net cash inflow/(outflow) from investing activities		**7,478**	**(285)**
Cash flows from financing activities			
Ordinary Share buyback	16	(308)	-
Net cash outflow from financing activities		**(308)**	**-**
Movement in cash and cash equivalents		**3,917**	**(955)**
Cash and cash equivalents brought forward		30	922
Foreign exchange movement		(63)	63
Cash and cash equivalents carried forward		**3,885**	**30**

SEED INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 IFRS Accounting Standards ("IFRS") as issued by the International Accounting 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 2023. 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 2023
There are no standards, amendments to standards or interpretations that are effective for the annual period beginning on or after 1 April 2023 that have a material effect on the financial statements of the Company.

(b) New standards, amendments and interpretations effective after 1 April 2023 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 2023 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 material 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 and share buyback costs, are charged through the Statement of Comprehensive Income in the period in which they are incurred. Costs of issuing and buying back 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 10. 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; and
- 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
Share Capital
Ordinary shares are classified as equity. Where the Company purchases its own equity share (e.g. as the result of a share buyback), 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 2024, a total of £43,628 (2023: £40,759) was charged to the Statement of Comprehensive Income for Obsidian, of which £4,033 was payable at the financial reporting date (2023: £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 (2023: £36,000).
- Ed McDermott is entitled to an annual remuneration of £161,063 (2023: £161,760).
- Lance De Jersey is entitled to an annual remuneration of £106,000 (2023: £106,000).
- Luke Cairns is entitled to an annual remuneration of £36,000 (2023: £36,000).
- Alfredo Pascual is entitled to an annual remuneration of €106,000 (£90,598) (2023: Nil).

7. Directors' Remuneration (continued)

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

Year ended 31 March 2024

	Directors' Remuneration £'000	Discretionary Bonus £'000	Recognition of share based expense £'000	Total £'000
Ian Burns	36	-	-	36
Ed McDermott	161	-	-	161
Lance De Jersey	106	-	-	106
Luke Cairns	36	-	-	36
Alfredo Pascual	46	-	-	46
	385	-	-	385

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
Alfredo Pascual	-	-	-	-
	340	-	30	370

8. Other Expenses

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Regulatory and listing fees	26	27
Directors' and Officers' liability insurance	37	10
IT Costs	6	7
Consultancy fees	36	43
Salaries and Wages	26	84
Other expenses	76	12
	207	183

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 the calendar year ended 31 December 2023 and £1,600 from 1 January 2024 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.

9. Tax effects of other comprehensive income (continued)

There were no tax effects arising from the other comprehensive income disclosed in the Statement of Comprehensive Income (2023:

10. (Loss)/Earnings per Ordinary Share

The loss per Ordinary Share of 1.01p (2023: loss per Ordinary Share of 2.10p) is based on the loss for the year of £2,119,521 (2023: loss £4,458,743) and on a weighted average number of 208,840,402 Ordinary Shares in issue during the year (2023: 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 prior year.

11. Dividends

During the year ended 31 March 2024, no dividend was paid to shareholders (2023: £Nil). The Directors do not propose a final dividend for the year ended 31 March 2024 (2023: £Nil).

Post year-end on 16 April 2024, the Company declared a special dividend of 1.0 pence (£0.01) per Ordinary Share.

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

	31 March 2024	**31 March 2023**
	£'000	£'000
Fair value of investments brought forward	16,019	19,524
Purchases during the year	216	443
Proceeds from disposals during the year	(7,694)	(158)
Interest capitalised on convertible loan notes held	-	102
Realised gains/(losses) on disposals during the year	1,077	(836)
Net unrealised loss on revaluation of investments	(2,296)	(3,056)
	7,321	**16,019**

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.

13. Fair value of financial instruments (continued)

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 2024, 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 (2023: 2 investments).

The remaining six investments were included within the Level 3 category and subject to a Level 3 valuation approach.

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.

Valuation Basis	**Aggregate Valuation**	**Range**	**(input)**	**Sensitivity**	**Effect on fair value**	
	£'000				**£'000**	**£'000**
Price of recent transaction (deal price)	6,773	n/a	n/a	-25% / 25%	(1,693)	1,693
Cost	-					
Quoted price	548					
Total	7,321					

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 2024	**31 March 2023**
	£'000	£'000
Fair value of investments brought forward	811	2,632
Purchases during the year	-	-
Disposals proceeds during the year	-	(104)
Realised gains on disposals during the year	-	4
Net unrealised change in fair value	(263)	(1,721)
Fair value of investments carried forward	548	811

13. Fair value of financial instruments (continued)

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 2024	31 March 2023
	£'000	£'000
Fair value of investments brought forward	15,208	16,892
Purchases during the year	216	443
Disposals proceeds during the year	(7,694)	(54)
Capitalised interest on loan	-	102
Realised gains/(losses) on disposals during the year	1,077	(840)
Net unrealised change in fair value	(2,034)	(1,335)
Fair value of investments carried forward	6,773	15,208

	31 March 2024	31 March 2023
	£'000	£'000
Level 1	548	811
Level 2	-	-
Level 3	6,773	15,208
Total	7,321	16,019

14. Other receivables

	31 March 2024	31 March 2023
	£'000	£'000
Prepaid expenses	43	50
Other receivables	2,383	-
	2,426	50

The Company has made a provision at a default rate of 100% for £108,314 (2023: £Nil) for an outstanding receivable due from a loan note issued to SWB. See Note 21 for further details.

15. Payables and accruals

	31 March 2024	31 March 2023
	£'000	£'000
Administration fees	4	3
Audit fees	18	30
Legal & professional fees	3	6
Other accrued expenses	3	28
	28	67

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

		31 March 2024	31 March 2023
Authorised:		£'000	£'000
1,910,000,000 Ordinary Shares of 1p (2023: 1,910,000,000 Ordinary Shares)		19,100	19,100
100,000,000 Deferred Shares of 0.9p (2023: 100,000,000 Deferred Shares)		900	900
		20,000	20,000
Allotted, called up and fully paid:			
202,032,895 Ordinary Shares of 1p (2023: 212,747,395 Ordinary Shares)	(i)	2,020	2,127
Nil Deferred Shares of 0.9p (2023: Nil)	(ii)	-	-
Share options	(iii)	-	-
Warrants	(vi)	-	-
Treasury Shares:			
13,186.946 Treasury Shares of 1p (2023: 2,472,446)	(v)	132	25

(i) Ordinary Shares
During the year 10,714,500 Ordinary Shares were bought by the Company as part of a share buyback programme.

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

(iii) Options
There are no options outstanding.

(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 50% 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.

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

(v) Shares held in Treasury
As part of a share buyback programme, share repurchases in the year saw the number of Ordinary Shares held as Treasury shares increase to 13,186,946 (2023: 2,472,446).

(vi) Warrants
There are no warrants outstanding.

(vii) Other Distributable Reserves

	31 March 2024	**31 March 2023**
	£'000	£'000
Opening balance as at 1 April	13,905	18,122
Total comprehensive loss for the year	(2,120)	(4,459)
Ordinary Share buyback	(201)	-
Transfer of value of lapsed options	-	242
Closing Balance as at 31 March	11,584	13,905

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 £13,604,000 (2023: £16,032,000) and on 202,032,895 Ordinary Shares (2023: 212,747,395 Ordinary Shares) in issue at the end of the year. As all Warrants and Options expired unexercised during the prior year there was no dilutive effect as at 31 March 2024.

18. Related Parties

(i) Directors' remuneration
The Directors' remuneration for the year ended 31 March 2024 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 (0.83%) Ordinary Shares (2023: 1,674,024) in the Company at 31 March 2024 and the date of signing this report.

Mr Burns received an annual remuneration of £36,000 (2023: £36,000) with no discretionary bonus for the year (2023: Nil). There was no payable at the financial reporting date (2023: nil).

Ed McDermott

Mr McDermott held 4,680,000 (2.32%) Ordinary Shares (2023: 4,680,000) in the Company at 31 March 2024 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 £161,063 (2023: £161,760) which included pension contributions of 1.1% of salary. There was no discretionary bonus (2023: Nil). There was no payable at the financial reporting date (2023: £13,168).

Mr McDermott is Co-chairman of Clean Food Group as disclosed in the Investment Portfolio Report on page 7.

18. Related Parties (continued)

Lance De Jersey

Mr De Jersey, Finance Director of the Company held 400,000 ordinary shares in the Company as at 31 March 2024 and at the date of signing of this report.

Mr De Jersey received annual remuneration of £106,000 (2023: £106,000). There was no discretionary bonus (2023: Nil). There was no payable at the financial reporting date of (2023: 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 (2023: £36,000) with no discretionary bonus (2023: Nil). There was no payable at the financial reporting date (2023: nil).

Alfredo Pascual

Mr Pascual, Executive Director of the Company is entitled to annual remuneration of€106,000 (£90,598) per annum, effective from the date of his appointment on 1 September 2023.

Mr Pascual received annual remuneration of £71,781 (2023: £63,833) with no discretionary bonus (2023: Nil). There was no payable at the financial reporting date (2023: 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 2024, a total of £43,628 (2023: £40,759) was charged to the Statement of Comprehensive Income for Obsidian, of which £4,033 was payable at the financial reporting date (2023: £3,333).

(iii) Digital Marketing

During the year the Company contracted with G-Force Media, a digital content creator and digital marketer. Ed McDermott, a Director of the Company, is a one third shareholder of G-Force Media. During the year the Company paid £12,000 (2023: Nil) to G-Force Media.

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.

19. Financial Risk Management (continued)

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.

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 2024	31 March 2023
	£'000	£'000
Financial assets at fair value through profit or loss		
Investments	**7,321**	**16,019**
Financial assets at amortised cost		
Other receivables	2,383	-
Cash and cash equivalents	3,885	30
	6,268	**30**
Financial liabilities at amortised cost		
Other payables	**28**	**67**

Prepayments of £42,900 (2023: £50,000) 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 £3,728,206 was placed with HSBC Bank plc (2023: £22,977). The Moody's counterparty risk rating for HSBC Bank plc was A3 as at 31 March 2024.

At the year end the Company held convertible loan notes with a face value of £150,000. In the year £12,500 had been repaid and a provision made on the remaining outstanding such that the carrying amount at the year end was £Nil (2023: £167,095).

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 £28,000 (2023: £57,000). 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% (2023: 30%) best represents the margin of price risk associated with the Company risk. A 30% (2023: 30%) increase/decrease in the fair value of investments would result in a £163,875 (2023: £242,580) 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 2024	31 March 2023
	£'000	£'000
US Dollar		
Cash and cash equivalents	5	4
Financial assets at fair value through profit and loss	2,870	3,247
Euro		
Cash and cash equivalents	2,582	22
Financial assets at fair value through profit and loss	2,740	9,542
Canadian dollar		
Financial assets at fair value through profit and loss	-	-
Australian Dollar		
Financial assets at fair value through profit and loss	529	715
Net currency exposure	8,727	13,529

At 31 March 2024, 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 +/- £261,341 (2023: +/- £325,061).

At 31 March 2024, 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 +/- £483,873 (2023: +/- £956,365).

At 31 March 2024, 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 +/- £48,133 (2023: £71,475).

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 21 May 2024 the Company received information that the majority equity holding in OTO was being marketed for sale due to concern around the liquidity and viability of OTO without further investment. The Company treated this as an adjusting event and revalued OTO to £Nil (2023: £423,292). The Company also made a provision at a default rate of 100% for £108,314 (2023: £Nil) for an outstanding receivable due from a loan note issued to SWB being repaid by OTO following the sale of SWB to OTO in April 2023.

On 16 April the Company declared a special dividend of 1.0 pence (£0.01) per SEED Share (the "Special Dividend"). This follows the Company's realisation of its investment in Leap Gaming as originally announced on 7 December 2022. The Special Dividend was funded from existing cash reserves and was paid on 13 May 2024 to SEED Shareholders on the register of members of the Company on 26 April 2024 (the "Record Date"), with the SEED Shares being marked ex dividend on 25 April 2024.

On 12 April the Company received in full second and final instalment of monies from the sale of Fralis LLC (Leap Gaming) of EUR 2,766,048 (GBP 2,364,345).

The Share Buyback programme of Ordinary Shares announced on 29 September 2023 which commenced on 2 October 2023 ended on 31 May 2024. In total the Company purchased 19,797,500 shares at a volume weighted price of £0.0258 (2.58 pence).