



Eight Peaks Group Limited

Annual Report & Accounts
Year Ended 31 March 2021
Company Number: 3920241

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Company Information

Registered Office and Company Address	6 Vicarage Road Edgbaston Birmingham B15 3ES	
Directors	Zafarullah Karim Thomas Werner Reuner Lord Nicholas Monson	Executive Chairman Executive Director Non-Executive Director
Company Number	3920241 (England and Wales)	
Accountants	Khanna & Co Limited Chartered Accountants 6 Vicarage Road Edgbaston Birmingham West Midlands B15 3ES	
Solicitors	48 Keystone Law Limited Chancery Lane London WC2A 1JF	
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR	

Executive Chairman's Statement

Overview

The year under review has been one of focus and consolidation for Eight Peaks Group Limited ("Eight Peaks" or the "Company"). The focus has been on the key investments, and consolidation has led to a substantial reduction in costs. The Company's office was closed. The alternative share trading facility with Asset Match Ltd was also closed. Shareholders wishing to trade in shares can continue to do so by contacting the Company. In line with the Company's policy that director remuneration be weighted towards success, the executive directors did not take any remuneration but will do so on successful realisations. The Company is now utilising the exemptions for small companies within Companies Act 2006 further reducing costs.

During the year under review, these changes led to a dramatic reduction in Administrative expenses of 82% to £37,000 (2020: £206,000). Also, during the year under review, Eight Peaks made a gain on fair value of investments of £284,000 (2020: loss of £1,233,000). Overall, operating profit for the year was £247,000 (2020: loss of £1,439,000). Finance charges and tax were £nil (2020: £nil) and net profit for the year was £247,000 (2020: loss of £1,439,000).

As at 31 March 2021 (the "BSD"), Eight Peaks' investments (non-current asset investments and current asset investments) were £4,300,000 (2020: £4,016,000). Trade receivables and other receivables due within one year were £19,000 (2020: £11,000). Cash amounted to £34,000 (2020: £63,000). Current liabilities were £7,000 (2020: £22,000). Investments (fixed asset investments and current asset investments) were £4,300,000 (2020: £4,016,000). Overall, net assets were £4,346,000 (2020: £4,069,000).

Investments

Virtual Stock Holdings Limited ("VS"): VS's technology allows information to flow between fragmented systems without disruption to existing IT. It is an alternative to traditional systems integrations, and has been applied to procurement and logistics in the retail and healthcare sectors. As at the BSD, Eight Peaks ascribed a value of £2,638,000 to its stake in VS (2020: £2,142,000).

BlockAPT Limited ("BlockAPT"): BlockAPT provides an automated integration platform for disparate cyber security components that allows them to be used seamlessly and intelligently through a single pane of glass interface. As at the BSD, Eight Peaks ascribed a value of £1,064,000 to its stake in BlockAPT (2020: £1,048,000).

Crowd for Angels (UK) Limited ("CfA"): Crowd for Angels is a UK crowdfunding platform. As at the BSD, Eight Peaks ascribed a value of £360,000 to its stake in CfA (2020: £360,000).

Dunraven Resources PLC ("Dunraven"): Dunraven is a North Africa-focused oil and gas exploration and development company. As at the BSD, Eight Peaks ascribed a value of £171,000 to its stake in Dunraven (2020: £342,000).

IBS Corporation ("IBS"): IBS has a licence to establish a banking services platform to provide a range of financial services to corporates and high net worth clients. As at the BSD, Eight Peaks ascribed a value of £56,000 to its stake in IBS (2020: £112,000).

Other: Medgold Corporation ("Medgold") is a TSX-V listed exploration company targeting gold-silver projects in Southern Serbia. As at the BSD, Eight Peaks ascribed a value of £9,000 to its stake in Medgold (2020: £8,000). Amedeo Resources PLC ("Amedeo") is an investment company. Its principal investment is a stake in an offshore marine vessel yard located on China's East Coast. As at the BSD, Eight Peaks ascribed a value of £2,000 to its stake in Amedeo (2020: £4,000).

Outlook

The Company is focussing on its core technology investments of VS and BlockAPT. Returns are expected to be generated on exits, which may be IPOs or trade sales. The Company expects realisations in the medium to long term.

Zafar Karim
Executive Chairman
15 October 2021

Strategic Report

The Directors present their Strategic Report for the year ended 31 March 2021.

Principal Activities and Review of the Business

Eight Peaks is a proactive investment company that focuses on making investments in and assisting companies that exhibit the potential to generate returns of many multiples through capital appreciation. Eight Peaks intends to deliver shareholder returns through capital appreciation and income distributions.

Given the nature of Eight Peaks' business activities, Key Performance Indicators are Eight Peaks' net assets. As at the BSD, these were £4,346,000 (2020: £4,069,000).

The key business highlights of the year are discussed in the review of the business during the year given in the Executive Chairman's Statement on page 2.

Principal Risk Factors and Uncertainties

The principal risks and uncertainties facing the Company are those associated with its investments as described below.

While Eight Peaks proactively assists its investee companies to achieve their goals, Eight Peaks does not exercise control over the investee companies, although it may have varying degrees of influence over the companies as a result of having board seats or having access to the managements of the investee companies. There can be no certainty that the investee companies will achieve their goals, nor that Eight Peaks may be able to influence attainment of such goals.

Other than Medgold, all of Eight Peaks investments are in unlisted companies. While the investee companies are unlisted, there can be no certainty that Eight Peaks will be able to realise its investments. In the case of listed investments, while it may be easier to make realisations, such realisations are dependent on sufficient liquidity being available. There can be no certainty that sufficient liquidity would be available when Eight Peaks wishes to make such realisations.

The Directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance, the Company's systems are designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In carrying out their responsibilities, the Directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken, and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control. Risk management related to financial instruments is set out in note 15 in the financial statements.

In addition to the general risks sets out above, there are business specific risks associated with the investments.

VS supplies a SaaS solution in the field of logistics, inventory and data management. While VS's technology may currently be considered relevant and has been adopted by customers, there can be no certainty that VS will win further customers, nor that its current contracts will be renewed. In addition, there can be no certainty that its technology will remain relevant.

BlockAPT operates in the field of cybersecurity. It develops, markets and supplies the BlockAPT Platform and associated consultancy services. BlockAPT, as a business, is in the early stage of its development. There can be no certainty that it will be successful in marketing and supplying the BlockAPT Platform or the associated consultancy services. In addition, while BlockAPT technology may currently be considered relevant, there can be no certainty that its technology will remain relevant.

Dunraven is an oil and gas exploration and production company. While its principal asset is promising, there can be no certainty that Dunraven will be able to develop its assets nor indeed realise proceeds or profit from doing so.

CfA owns and operates a crowdfunding platform. Its business is to attract traffic to its website and platform, increase its database of active investors, and successfully raise funding for the projects listed on its platform. While CfA has grown, there can be no certainty that it will continue to do so.

IBS received authorities to operate in April 2018. It is, however, yet to hire staff and establish funding lines, including raise operational funding. There can be no certainty that it will achieve any of these objectives.

Medgold is a gold and silver exploration licence and project development company with a focus on Serbia. It is subject to exploration risk and appreciation in the value of gold and silver. Medgold is listed on the TSX-V market. Realising any value from the holding is dependent, amongst other things, on liquidity in its shares.

Amedeo's principal investment is an offshore vessel construction joint venture ("Yard"). The performance of the Yard is dependent on demand for the types of vessels the Yard constructs and its ability to obtain credit to fund the builds. There can be no certainty that there will be demand for the types of vessels the Yard builds or that it will be able to obtain credit to build such vessels.

The Covid 19 pandemic has not had a significant, immediate impact on the company's operations. The Directors have put in place systems and protocols to promote the health and safety and allow the company to continue to operate as normal as possible when restrictions are imposed. The directors are aware that if the current situation becomes prolonged or if further

tighter restrictions are imposed then this may change. In addition to the impact on the Company there is the same risk to investee companies.

Outlook

See Executive Chairman's Statement for details on page2.

By order of the Board
Zafar Karim
Executive Chairman
15 October 2021

Directors' Report

The Directors present their report and the financial statements for the year ended 31 March 2021.

Principal Activities and Review of Business

The principal activity of the Company is that of an investment company. A review of the business is given in the Executive Chairman's Statement on page 2.

Future Developments

The Executive Chairman's Statement, on page 2 gives details of the coming year and outlook for the future.

Risk and Uncertainties

The principal risks and uncertainties facing the Company during the year are those relating to the underlying performance of its investments. Other risks and uncertainties are as set out in note 15 to the financial statements.

Results and Dividends

The results for the year are set out in the profit and loss account. For the year ended 31 March 2021, the Company made a net profit of £247,000 (2020: net loss of £1,439,000). The Directors are precluded from the payment of a dividend because of the accumulated losses of the Company. A commentary on the reported results is provided in the accompanying Executive Chairman's Statement on page 2. Key performance indicators are disclosed in the Strategic Report.

Going Concern

At the date of approving these accounts and financial statements, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The Covid 19 pandemic has not had a significant, immediate impact on the company's operations. The Directors have put in place systems and protocols to promote the health and safety of employees and allow the company to continue to operate as normal as possible when restrictions are imposed. The directors are aware that if the current situation becomes prolonged or if further tighter restrictions are imposed then this may change. In addition to the impact on the Company, there is the same risk to investee companies.

Directors

The following were directors of the Company during the financial year under review and up to the date of the signing of these financial statements:

Zafarullah Karim Zafarullah (Zafar) Karim, brings over three decades of business and banking experience to the Company. He has served as a Board member for several companies. From 1994 to 2002, Zafar worked in investment banking at NM Rothschild. He started his career in 1990 in investment banking at Salomon Brothers. Zafar completed the Blockchain Course from the Said Business School, University of Oxford. He also has an M.A. in economics from the University of Cambridge.

Thomas Werner Reuner Thomas (Tom) Werner Reuner, is an experienced strategy consultant. His deep understanding of the dynamics of the IT and telecommunications sectors comes from senior positions with IDC in Germany and with Gartner, NelsonHall and KPMG Consulting in the United Kingdom. Tom's expertise lies in investment research, evaluating and formulating business and IT strategy and analysing technology adoption. Tom has a PhD from the University of Göttingen in Germany.

Lord Nicholas Monson Lord Nicholas Monson, has significant experience as an investor relations adviser to listed companies in several sectors, including bio tech, engineering, natural resources, energy, technology and finance. His range of activities covers communications and helping to raise equity and debt. He is also an author and has been a publisher, non-executive Chairman of a listed company and CEO of a charity.

Subsequent Events

See note 16 for details regarding subsequent events.

Financial Risk Management Policies

Information on the use of financial instruments by the Company and its management of financial risk is disclosed in note 15 to the financial statements.

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of section 1A "Small Entities" and the Companies Act 2006.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- a. Select suitable accounting policies and then apply them consistently;
- b. Make judgements and accounting estimates that are reasonable and prudent;
- c. State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Small Companies Regime

This report has been prepared taking advantage of the exemptions for small companies within Part 15 of the Companies Act 2006. This report was approved by the board on 15 October 2021 and signed on its behalf.

By order of the Board.
Zafar Karim
Executive Chairman
15 October 2021

Statement of Comprehensive Income
for the year ended 31 March 2021

	2021	2020
Note	£'000	£'000
Net gain/(loss) on fair value investments	284	(1,233)
Administrative expenses	(37)	(206)
Share based payment charge	-	-
Operating (loss)/profit	247	(1,439)
(Loss)/profit on ordinary activities before interest and tax	247	(1,439)
Interest payable	-	-
(Loss)/profit on ordinary activities before taxation	247	(1,439)
Taxation	7 -	-
(Loss)/profit for the year and total comprehensive expense	247	(1,439)

All amounts derive from continuing operations.

Statement of Financial Position

as at 31 March 2021

	Note	2021 £'000	2020 £'000
Non-current assets			
Property, plant and equipment	8	-	1
Investments held at fair value through profit and loss	9	4,291	4,008
Total non-current assets		<u>4,291</u>	<u>4,009</u>
Current assets			
Trade and other receivables	11	19	11
Investments held at fair value through profit and loss	9	9	8
Cash and cash equivalents	10	34	63
Total current assets		<u>62</u>	<u>82</u>
Total assets		<u>4,353</u>	<u>4,091</u>
Current liabilities	12	<u>7</u>	<u>22</u>
Net assets		<u>4,346</u>	<u>4,069</u>
Equity and liabilities			
Share capital	13	3,853	3,851
Share premium		9,828	9,800
Share warrant and option reserve		298	359
Accumulated losses		(9,633)	(9,941)
Equity attributable to equity holders		<u>4,346</u>	<u>4,069</u>

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with section 386 and 387 of the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 15 October 2021 and are signed on its behalf by:

Zafar Karim
Executive Chairman

Statement of Changes in Equity

for the year ended 31 March 2021

	Share capital £'000	Share premium £'000	Warrant and option reserve £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 April 2019	3,851	9,800	359	(8,502)	5,508
Loss for the year	-	-	-	(1,439)	(1,439)
Total comprehensive loss for the year	-	-	-	(1,439)	(1,439)
Issue of ordinary shares	-	-	-	-	-
Costs of share issue	-	-	-	-	-
Share capital re-organisation	-	-	-	-	-
Share based payments	-	-	-	-	-
Balance at 31 March 2020	3,851	9,800	359	(9,941)	4,069
Balance at 1 April 2020	3,851	9,800	359	(9,941)	4,069
Profit for the year	-	-	-	247	247
Total comprehensive profit for the year	-	-	-	247	247
Issue of ordinary shares	2	28	-	-	30
Costs of share issues	-	-	-	-	-
Share capital re-organisation	-	-	-	-	-
Lapsed share-based options	-	-	(61)	61	-
Balance at 31 March 2021	3,853	9,828	298	(9,633)	4,346

Statement of Cash Flows
for the year ended 31 March 2021

	2021	2020
	£'000	£'000
Cash flows from operating activities		
(Loss)/profit before taxation	247	(1,439)
Adjustments for:		
Interest expense	-	-
Depreciation	1	1
Share based payment expense	-	-
Impairment of other receivables	-	-
Change in fair value of investments	(284)	1,233
	<u>(36)</u>	<u>(205)</u>
Changes in working capital:		
Decrease/(increase) in trade and other receivables	(8)	318
Decrease in trade and other payables	(15)	(35)
	<u>(23)</u>	<u>283</u>
Net cash inflow/(outflow) from operating activities	<u>(59)</u>	<u>78</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-	-
Purchase of investment	-	(310)
Investee convertible loan note	-	-
Net cash outflow from investing activities	<u>-</u>	<u>(310)</u>
Cash flows from financing activities		
Proceeds from issues of new ordinary shares	30	-
Expenses paid in connection with issue of shares	-	-
Share capital re-organisation	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Net cash inflow from financing activities	<u>30</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	<u>(29)</u>	<u>(232)</u>
Cash and cash equivalents at 1 April	<u>63</u>	<u>295</u>
Cash and cash equivalents at 31 March	<u>34</u>	<u>63</u>

Notes to the Financial Statements

1 Company information

Eight Peaks Group Limited (the "Company") is a company incorporated and domiciled in the UK (registered number 0392024). The address of the registered office is 6 Vicarage Road, Edgbaston, Birmingham, B15 3ES. The Company's principal activity is that of an investment company.

2 Accounting policies

Basis of preparation

The Company prepares its financial statements in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of section 1A "Small Entities" and the Companies Act 2006.

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments.

The financial statements are presented in thousands of pounds sterling ("£'000") except when otherwise indicated.

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

New standards, amendments and interpretations

No new Financial Reporting Standards becoming effective in the current year had an impact on the Company's financial statements.

Impairment of asset values

Property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Investments and financial instruments

Investments, financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument.

Fixed asset investments include investments in investee companies where the time horizon for realisation of the investment is considered to be longer than one year. Investments in investee companies where the time horizon for realisation of the investment is considered to be less than one year are classified as current assets.

All investments have been designated as fair value through the Income statement, these are initially measured at cost which is deemed to be the fair value. Thereafter, the investments are measured at subsequent balance sheet dates at fair value. A financial asset is designated in this category if it is acquired to be managed and its performance is evaluated on a fair value basis with a view to selling after a period of time. Listed investments and investments traded on AIM or overseas stock exchanges are stated at current price at the balance sheet date provided the market is active. Unlisted investments are stated at directors' valuation with reference to the IPEVCA valuation guidelines.

For investments that would meet the definition as an investment in an associate, Management assesses the associates at fair value through profit or loss. In the year under review, there were no investments in an associate.

Any realised and unrealised gains or losses on investments are taken to the Income Statement.

Fair value measurement

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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilise the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets classification

Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value, and are subsequently stated at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and receivables comprise mainly cash and cash equivalents and trade and other receivables.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty, default or significant delay in payment, disappearance of active market for that financial asset, or bankruptcy or financial reorganisation of borrowers) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities and equity

Debt and equity instruments issued by a group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised as the proceeds received, net of direct issue costs.

Cash and cash equivalents

The Company considers any cash on short-term deposits and other short term investments to be cash equivalents.

Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Loans

Loans are initially recognised at fair value and subsequently at amortised cost.

Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated.

The estimated useful lives are as follows: Office equipment – 4 years.

The useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Taxation

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

Deferred income tax is recognised on temporary timing differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised in full for all temporary differences. Deferred income tax assets are recognised for all deductible temporary differences carried forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and carry-forward of unused tax credits and unused losses can be utilised. The carrying amount of deferred income tax assets is assessed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that future taxable profits will allow the deferred income tax asset to be recovered. Consideration is given to both capital and trading losses, and to the extent that the Company is able to realise a deferred tax asset and settle any taxation liabilities simultaneously, these amounts are offset.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit or loss.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Board of Directors which has been identified as the chief operating decision maker ("CODM"). The Board of Directors consists of 2 Executive Directors and 1 Non-executive Director. Please refer to note 4 for segmental information.

Going concern

At the date of approving these accounts and financial statements, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The Covid 19 pandemic has not had a significant, immediate impact on the company's operations. The Directors have put in place systems and protocols to promote the health and safety of employees and allow the company to continue to operate as normal as possible when restrictions are imposed. The directors are aware that if the current situation becomes prolonged or if further tighter restrictions are imposed then this may change. In addition to the impact on the Company there is the same risk to investee companies.

Share based payments

The Company issues equity-settled share-based payments to certain employees in the form of options. Warrants are issued in lieu of fees to third parties. A fair value for the equity-settled share awards is measured at the date of the grant. The fair value is measured using the Black Scholes method of valuation, which is considered to be the most appropriate valuation technique. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations.

An expense is recognised to spread the fair value of each award over the vesting period on a straight-line basis, after allowing for an estimate of the share awards that will actually vest. The estimate of vesting is reviewed annually, with any impact on the cumulative charge being recognised over the remaining vesting period. Amounts to be settled in shares are presented within equity, representing the expected time-apportioned fair value of the awards that are expected to vest.

3 Critical accounting judgments and estimates

The preparation of the Company's financial statements under Financial Reporting Standard 102 (1A), requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the financial statements:

Valuation of investments

The Company's investments are measured at fair value in the statement of financial position, and it is usually possible to determine their fair values within a reasonable range of estimates. For actively traded investments, quoted market prices are readily available. For other financial instruments, such as unlisted securities, valuation techniques are used to estimate fair value. Fair value estimates are made at a specific point in time, based on market conditions (including the impact of Covid-19) and information about the individual investments. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined accurately. See note 9 for further details.

Share based payments

To calculate the charge for share-based compensation, the Company makes estimates principally relating to the assumptions used in its option-pricing model as set out in note 14.

4 Segmental information

The Company only has one class of business and only operates within the United Kingdom.

5 Profit on ordinary activities before tax

	2021 £'000	2020 £'000
Profit on ordinary activities before tax for the year is stated after charging:		
Depreciation of property, plant and equipment	1	1
Auditor's remuneration	-	10
	<hr/>	<hr/>

6 Directors

	2021 £'000	2020 £'000
Director's emoluments:		
Director's salaries	6	40
Social security costs	-	-
Share-based payment	-	-
	<hr/>	<hr/>
	6	40

	2021	2020
	No.	No.
The average monthly number of employees were:	3	3

Directors Remuneration

2021

	Salary, fees & bonus £'000	Share-based payments £'000	Total £'000
Thomas Reuner	-	-	-
Lord Nicholas Monson	9	-	9
Zafar Karim	-	-	-
Total	9	-	9

2020

	Salary, fees & bonus £'000	Share-based payments £'000	Total £'000
Thomas Reuner	4	-	4
Lord Nicholas Monson	12	-	12
Zafar Karim	24	-	24
Total	40	-	40

7 Taxation

	2021 £'000	2020 £'000
(Loss)/profit on ordinary activities before tax	247	(1,439)
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK 19% (2020: 19%)	47	(273)
(Income)/expenses not deductible for tax purposes	(49)	30
Tax losses not recognised/(utilised)	2	243
Current tax charge for year	-	-

As at 31 March 2021 the Company had capital losses of approximately £4.6 million (2020: £4.6 million) available to carry forward against future capital gains, and trading losses of approximately £2.2 million (2020: £2.2 million) which includes £nil (2020: £nil) in respect of tax deductions on share options and warrants. A deferred tax asset of £0.4 million (2020: £0.4 million) is not recognised in respect of these trading losses due to the uncertainty as to the utilisation of the losses in the foreseeable future.

8 Property, plant and equipment

	Office equipment £'000
Cost	
At 1 April 2019	13
Additions	-
At 31 March 2020	13
Additions	-
At 31 March 2021	13
Accumulated depreciation	
At 1 April 2019	11
Charge for the year	1
At 31 March 2020	12
Charge for the year	1
At 31 March 2021	13
Net book value	
At 31 March 2021	-
At 31 March 2020	1

9 Investments

Non-Current

	Unlisted investments £'000
At 1 April 2019	4,921
Additions	310
Disposals	-
Transfer from listed investments	-
Unrealised loss on revaluation	(1,223)
Unrealised gain on revaluation	-
At 31 March 2020	4,008
At 1 April 2020	4,008
Additions	-
Transfer from listed investments	-
Unrealised gain/(loss) on revaluation	283
At 31 March 2021	4,291

	Carrying value 31 March 2020 £'000	Additions £'000	Transfer from listed investments £'000	Unrealised gain/(loss) on revaluation £'000	Carrying value 31 March 2021 £'000	Fair value hierarchy
Virtual Stock Holdings	2,142	-	-	496	2,638	Level 3
Crowd for Angels	360	-	-	-	360	Level 3
IBS Corporation Ltd	112	-	-	(56)	56	Level 3
Dunraven Resources Plc	342	-	-	(171)	171	Level 3
Amedeo Resources Plc	4	-	-	(1)	3	Level 3
BlockAPT Limited (previously SOARX Limited)	1,048	-	-	15	1,063	Level 3
	4,008	-	-	283	4,291	

Further information in relation to the fair value hierarchy is provided in notes 2 and 15 to the financial statements.

All investments are measured at fair value through profit and loss as detailed in the accounting policy.

Current

	Listed investments £'000	Total £'000
At 1 April 2019	18	18
Transfer of investment type	-	-
Unrealised loss on revaluation	(10)	(10)
At 31 March 2020	8	8
At 1 April 2020	8	8
Unrealised gain on revaluation	1	1
At 31 March 2021	9	9
Being:		
TSX listed		9
		9

	Carrying value 31 March 2020 £'000	Unrealised gain on revaluation £'000	Carrying value 31 March 2021 £'000	Fair value hierarchy
Medgold Resources Corp	8	1	9	Level 1
	8	1	9	

Further information in relation to the fair value hierarchy is provided in notes 2 and 15 to the financial statements.

10 Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank	34	63
	34	63

11 Trade and other receivables

Current

	2021 £'000	2020 £'000
Prepayments	2	6
Other receivables	17	5
	19	11

Other receivables include a rent deposit of £- (2020: £5,206).

12 Trade and other payables

	2021 £'000	2020 £'000
Trade payables	1	3
Accruals	6	19
	<u>7</u>	<u>22</u>

Trade payables and accruals represent the Company's financial liabilities measured at amortised cost. Due to their short-term nature, carrying value approximates to fair value.

13 Called up share capital

	2021 £'000	2020 £'000
19,988,253 (2020: 17,988,255) ordinary shares of £0.001 each	<u>3,853</u>	<u>3,851</u>
	2021 No. (millions)	2020 No. (millions)
At the beginning of the year	18	18
Subdivision of shares during the year	-	-
Issued during the year	2	-
At the end of the year	<u>20</u>	<u>18</u>

The Company has one class of ordinary shares which carries no right to fixed income and which represents 100% of the total issued nominal value of all share capital. The authorised share capital of the Company, as at the balance sheet date, was 3,852,713 (2020: 3,850,713).

Each ordinary share carries the right to one vote at general meetings of the Company. No person has any special rights of control over the Company's share capital and all its issued shares are fully paid.

On 7 January 2021 the Company issued 1,999,998 ordinary £0.001 shares for £0.015 each raising £30,000 in total. Included within the 1,999,998 shares issued, the directors subscribed and paid for 366,666 ordinary £0.001 shares at £0.015

The Company also has 485,155 deferred shares. The deferred shares do not entitle holders to receive notice of or attend and vote at any general meeting of the Company or to receive a dividend or other distribution or to participate in any return of capital on a winding up (other than the nominal amount paid on such shares following a very substantial distribution to the holders of New Ordinary Shares). Accordingly, the deferred Shares are for all practical purposes, valueless. The Company has the right to purchase or cancel all or any of the deferred shares without obtaining the consent of the holders for not more than £1.

Reserves

The share premium reserve represents the consideration that has been received in excess of the nominal value of shares on issue of ordinary share capital, net of issue costs.

The share warrant and option reserve arise from the requirement to value share options and warrants in existence at the grant date and recognise the expense over the vesting period.

The profit and loss account represents the cumulative net earnings of the Company after paying dividends.

14 Share-based payment

Share options

The Company has unapproved and approved share option schemes in which the Directors participate.

Under the Company's approved share option plan, the Company grants options and shares to certain directors of the Company. If the options remain unexercised for a period of 10 years from the date of grant, the options lapse. The options are exercisable immediately on grant.

Details of Directors' outstanding share options as at the year ended are shown below.

	2021		2020	
	Weighted average exercise price pence	Number of options	Weighted average exercise price pence	Number of options
Zafar Karim	75.44p	691,958	75.44p	837,773
Thomas Reuner	132.02p	13,256	132.02p	13,256
Thomas Reuner	75.44p	257,164	75.44p	257,164
Lord Nicholas Monson	75.44p	265,118	75.44p	265,118
		<u>1,227,496</u>		<u>1,373,311</u>

Movements in ordinary share options outstanding:

	2021		2020	
	Weighted average exercise price pence	Number of options	Weighted average exercise price pence	Number of options
Outstanding at the beginning of the year	75.44p	1,458,148	75.44p	1,458,148
Granted during the year	-	-	-	-
Lapsed during the year	75.44p	212,094	75.44p	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	75.44p	<u>1,246,054</u>	75.44p	<u>1,458,148</u>

Options and their status are shown below:

Last date when exercisable	Exercise price	Granted No.	Lapsed No.	Exercised No.	Outstanding at 31 March 2021
12 February 2021	75.44p	212,094	212,094	-	-
20 May 2021	132.02p	13,256	-	-	13,256
6 February 2022	75.44p	92,791	-	-	92,791
21 January 2023	75.44p	132,559	-	-	132,559
9 June 2023	75.44p	212,094	-	-	212,094
23 December 2023	75.44p	265,118	-	-	265,118
7 August 2024	75.44p	265,118	-	-	265,118
15 September 2028	75.44p	265,118	-	-	265,118
		<u>1,458,148</u>	<u>212,094</u>	<u>-</u>	<u>1,246,054</u>

Subsequent to the balance sheet date, on 20 May 2021, 13,256 options with an exercise price of 132.02p lapsed.

Fair value

The fair value of the options granted is estimated at the date of grant using a Black-Scholes option pricing model that uses certain assumptions. No performance conditions were included in the fair value calculations and the options vested immediately.

Warrants

Other than the employee share options set out above, warrants have been granted to third parties in return for providing consultancy services. The exercise prices and dates of warrants that are still exercisable are shown in the table below.

Last date when exercisable	Exercise price	Granted No.	Lapsed No.	Exercised No.	Outstanding at 31 March 2021
31 October 2023	75.44p	100,000	-	-	100,000
		100,000	-	-	100,000

On 1 November 2018, 100,000 performance related warrants were issued with the performance period from 1 November 2018 to 31 October 2023. The exercise price of the warrants is 75.44p.

	2021		2020	
	Weighted average exercise price pence	Number of warrants	Weighted average exercise price pence	Number of warrants
Outstanding at the beginning of the year	75.44p	100,000	62.71p	172,097
Granted during the year	-	-	-	-
Lapsed during the year	-	-	45.26p	72,097
Exercised during the year	-	-	-	-
Outstanding at the end of the year	75.44p	100,000	75.44p	100,000

The fair value of the warrants is estimated at the date of grant using a Black-Scholes option pricing model that uses certain assumptions. Performance conditions were included in the fair value calculations where relevant. No warrants were issued in the current or previous period.

15 Financial instruments

Loans and receivables

Loans and receivables include cash at bank and in hand and other receivables.

Financial liabilities

Financial liabilities at amortised cost include trade payables, other payables, accruals and loans.

Capital Management

The Company is financed primarily with equity capital with debt utilised from time to time, which is then utilised to meet operating expenses and make investments. Investments are financed primarily from equity capital, though debt may be utilised where it is felt that it is prudent to do so.

Interest rate risk

The Company does not have any material exposure to interest rate.

Currency risk

The Company makes investments in both UK and foreign companies. In addition, the companies in which the Company invests may or may not have exposure to foreign currency. In this regard the Company has foreign currency exposure. Currency exposure is one of the factors considered when making investments, and as such it is implicitly managed at the point of investment.

Liquidity risk

The Company makes investments in unlisted and listed entities. Consequently, the Company is exposed to the liquidity risk to the extent that it may not be able to find buyers for its unlisted investments and liquidity in its listed investments may be low. Therefore, there can be no certainty that the Company would be able to exit its investments. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£'000	£'000	£'000	£'000	£'000
2021					
Trade and other payables	1	-	-	-	-
Accruals	6	-	-	-	-
Other receivables	-	17	-	-	-
2020					
Trade and other payables	3	-	-	-	-
Accruals	19	-	-	-	-
Other receivables	5	-	-	-	-

Market risk

The Company monitors the value of its investments on a regular basis and acts to decrease or dispose of investments when it deems appropriate.

Credit risk

The bank account of the Company is held with well-established financial institutions of high-quality credit standing.

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Year ended 31 March 2021				
Investments held at fair value	9	-	4,291	4,300
Year ended 31 March 2020				
Investments held at fair value	8	-	4,008	4,016

Financial assets and liabilities measured at fair value are disclosed using a fair value hierarchy that reflects the significance of the inputs used making the fair value measurements, as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical asset or liabilities ('quoted prices');
- Level 2 – Inputs (other than quoted prices in active markets for identical assets or liabilities) that are directly or indirectly observable for the asset or liability ('observable inputs'); or
- Level 3 – Inputs that are not based on observable market data ('unobservable inputs') the unlisted investments were valued in accordance with the Company's accounting policy and IPEVCA valuation guidelines. These were considered level 3 valuations as judgement was required to assess the values. The Directors reviewed the indicators to assess whether the fair value had changed and concluded that, due to the revised IPEVCA valuation guidelines, material adjustments were required.

16 Subsequent events

There are no subsequent events to report.

17 Related party transactions

In addition to the transactions with the Directors in note 6, Zafar Karim, the Executive Chairman of the Company and Lord Nicholas Monson, Non-Executive Director of the Company, subscribed for 333,333 and 33,333 ordinary £0.001 shares at a price of £0.015 respectively on the same terms as the other subscribers.