RNS Number : 0777S
Blue Star Capital plc
07 March 2023

7 March 2023

Blue Star Capital plc

("**Blue Star**" or the "**Company**")

Final Results for the year ended 30 September 2022

Blue Star Capital plc (AIM: BLU), the investing company with a focus on esports, technology and its applications within media and gaming, announces its final results for the year ended 30 September 2022.

Highlights

- The Company's two principal investments, representing approximately 90% of the portfolio's value, continue to make strong progress.
- The Company incurred a pre-tax loss for the period of £1,301,008, (2021: profit £2,129,315) The main factors behind this difference were the write-off of four of the esports investments made in 2019 and the reduction in valuation of the company's quoted portfolio. The operating expenses of the Company were broadly unchanged but have been reduced by 20% since September 2022 and will be further reduced where possible.
- The cash position of the Company at 30 September 2022 was £86,575, compared with £296,106 as at 30 September 2021.
- Post year end, the Company increased its cash balance to £179,000 through the disposal of its remaining shareholding in NFT Investments and some of its shareholding in Guild Esports plc. The current value of the quoted investments held by the Company is approximately £147,000.

The Annual Report and notice of Annual General Meeting ("AGM") will be posted to shareholders shortly and will be available to view on the Company's website http://www.bluestarcapital.co.uk.

The AGM will be held at the offices of Cairn Financial Advisers LLP, 80 Cheapside, 3rd Floor, EC2V 6EE on 31 March 2023 at 10.30 a.m. Shareholders wishing to vote on any matters of business at the AGM are encouraged to do so through completion of a proxy form which can be completed and submitted to the Company. Proxies should be completed and returned in accordance with the instructions on the form of proxy by no later than 10:30 a.m. on 29 March 2023.

Tony Fabrizi Chief Executive Officer of Blue Star Capital plc, commented:

"The last year was one of consolidation with our main two portfolio companies making strong progress. The strategic review, undertaken in September 2022, led to the decision to focus attention on the Company's two principal investments and to manage the business, if possible, without issuing further equity. Overall, we are pleased with recent progress and the Board views the future with confidence."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For further information, please contact:

Blue Star Capital plc +44 (0) 777 178 2434
Tony Fabrizi

Cairn Financial Advisers LLP +44 (0) 20 7213 0880
(Nominated Adviser & Broker)
Jo Turner / Liam Murray

Chairman's Statement

Blue Star Capital plc ("the Company" or "Blue Star") provides investors with exposure to a portfolio of geographically diverse quoted and unquoted companies in high-growth, disruptive technology sectors. The current portfolio is heavily weighted towards private investments with over 90% of the portfolio invested in two private companies.

During the period, the Company's Net Asset Value ("NAV") decreased by 10% to £11,414,507 (2021: £12,715,515) with the Company incurring a pre-tax loss of £1,301,008 (2021: profit £2,129,315). The decline in NAV and loss for the year principally reflected the write down of four esports investments and the loss incurred on some of the Company's quoted investments. The Company ended the year with cash of £86,575 and this has been increased subsequently through the sale of some of the Company's quoted investments post year end to a current balance of approximately £179,000. The current value of the quoted investments held by the Company is approximately £147,000

In September 2022 and after my appointment as executive Chairman, the Board set out its strategy for the next two years. The key objective being to manage the current portfolio with the aim of maximising the value of the Company's principal investments. As part of this focus, the Board also announced that it did not intend to make any further investments without first obtaining shareholder approval and to also endeavour to manage the business without any further equity raises. The cost base of the company has also been reduced on an annualised basis by around 20%.

We provide the following portfolio company highlights for the period ended 30 September 2022.

Esports

The Esports market, according to Statista, is projected to reach US$1.6bn in 2023 rising to US$2.35bn by 2027 on the back of continued user growth alongside increases in Revenue Per User. China remains the number one market for Esports, followed by the US, South Korea, Germany and the UK.

Our original portfolio of esports companies consisted of eight businesses with Dynasty Media & Gaming being the most significant. In the portfolio review undertaken in September 2022, the Board indicated that it was likely to take a prudent approach to the unquoted esports portfolio businesses and following a detailed review and the lack of any clear progress with certain of these investee companies the decision has been taken to provide in full against three of these investments (The Drops Esports, Diemens Esports and Formation Esports SAS) and to write off in full the Convertible Loan Note to the Dibs Esports Corp. Of the remaining investments, their values are carried by Blue Star as follows; Dynasty, on the basis of its last private fundraising, at approximately £5.6m; Guild is retained at market value; Googly is carried at its most recent fundraising valuation with our shareholding being valued at approximately £65,000 and Paidia esports Inc, our most recent private investment, is retained at cost of approximately £65,300.

Details of the four Esports investments are provided below.

Dynasty Media & Gaming

Dynasty has set out to solve two major challenges that currently exist within the gaming industry. First, large consumer brands know they need to engage with gamers but struggle to do so. Dynasty solves this problem by providing a complete white-label gaming ecosystem including communities, esports, tournaments, rewards and gaming stores. Second, game publishers lack sufficient local resources or distribution partners to maximise specific market opportunities. Dynasty's network, via major telcos and other B2C platforms that will directly connect to hundreds of millions of gamers, provides the scale the game developers seek.

In April 2022 the Company announced that Dynasty had secured three additional multi-year partnership agreements with large-scale organisations. Under the first partnership agreement with Maxis, Malaysia's leading telecoms operator, a Dynasty-built and managed platform was launched to millions of potential customers. The second partnership agreement was signed with Spark, New Zealand's largest telco, which enjoys a dominant market position and premium brand presence. Finally, the third multi-year agreement was secured with Googly, a market-leading Indian group that operates within the digital payments, sports, and media industries.

In October 2022, Dynasty announced that it has signed a distribution agreement with Indosat Ooredoo Hutchison ("IOH"), Southeast Asia's second largest telecommunications company, with almost 100 million subscribers in Indonesia. This agreement will see Dynasty deliver Web3 Play to Earn ("P2E") games, developed by Pioneer Media Holdings Inc, to IOH which will actively promote to their extensive subscriber base. Indonesia is Southeast Asia's leading gaming market, with over 200 million gamers generating nearly US$2 billion in annual gaming revenues. The first P2E title, which has been localised for the Indonesian gaming market, is due to launch in the next few months, and additional titles are planned to be released throughout 2023.

Dynasty has also entered into a 50/50 joint venture in Australia with Lets Play Live ("LPL"). LPL is the regions leading esports tournament organiser and content creator with over 400,000 existing customers and long-term partnerships with the world's leading games publishers. Launching in Australia next month, the platform will instantly become the most significant gaming platform and community in Australia.

It is important to note that all of the above contracts are based on Dynasty's revised business model of a hybrid 'SaaS plus revenue share' model with Dynasty delivering what it describes as a genuine managed service solution.

In summary, Dynasty has signed six contracts and is currently live on three platforms. The Company is in discussions with an increasing number of large organisations excited by Dynasty's offering and expects to announce new large contacts later this year. Against this background, we remain confident that Dyansty is well positioned to achieve significant growth in 2023.

To date, the Company has invested approximately £968,000 in Dynasty and based on Dynasty's valuation of US$50 million in its latest fundraising round in April 2021, the Company's holding in Dynasty is valued at approximately US$6.5 million (approximately £5.6 million).

Guild Esports PLC

Guild Esports PLC is a global teams organisation and lifestyle brand, which was the first esports organisation to list on the London Stock Exchange. Since its formation, Guild has won 8 major esports tournaments and currently runs five teams across four different games.

In the last financial year, Guild brought in significant revenues through the signing of sponsorship agreements with global brands. Some of Guild's leading brand partners include Bitstamp, one of the world's best-established cryptocurrency exchanges, which signed as Official Cryptocurrency Partner in January 2022, in a three-year deal worth £4.5 million. In August 2022, Guild renewed and expanding its existing deal with Samsung; Samsung Display is now Guild's Official Display Partner and Samsung TV/AV is Guild's Official TV Partner for the UK and Ireland.

Guild's largest sponsorship deal to date was signed with Sky UK Ltd., one of Europe's leading media and entertainment companies. The three-year global sponsorship agreement signed in September 2022 is understood to be one of the largest ever esports sponsorships signed in Europe. Sky is now Guild's Official Premier Partner and has gained exclusive naming rights to Guild's Shoreditch HQ, the Sky Guild Gaming Centre. Guild opened this new HQ in January 2022, providing a state-of-the-art physical space for the Guild Academy and to support other commercial opportunities.

Guild is co-owned by David Beckham, and in September 2022 Guild renegotiated its brand ambassador agreement with Beckham's image rights company, reducing Guild's minimum payment obligations by £7.5m over the next two years. Beckham instead receives 20% of Guild's sponsorship and merchandising revenues, demonstrating his ongoing faith in Guild's business model and ability to attract high-quality sponsors.

At the year end the Company held 21,951,500 shares in Guild with a valuation of £471,957. Subsequently, the Company sold 10 million shares and its shareholding in Guild currently stands at 11,951,500 shares equivalent to approximately 2% of Guild's total issued share capital.

Other Esports investments

The Company's remaining two esports investments are performing in line with management expectations. Googly underwent a major reorganisation in 2021, following which Blue Star's shareholding was reduced to 0.6%. In conjunction with the reorganisation, Googly raised US$2 milllion at a US$10 million valuation placing a value on the Company's shareholding of approximately £65,000. The Googly platform is in beta launch at present and is expected to live shortly. The initial feedback has been very positive. Paidia, is an all-women's esports business which has achieved significant growth. The market positioning of Paidia is attracting significant attention both from the media as well as large global brands. The Company invested approximately £59,000 into Paidia in 2021 and is carrying the investment at cost.

Blockchain and decentralised finance

SatoshiPay

SatoshiPay's mission is to connect the world through instant payments. To achieve this ambition, SatoshiPay is initially focussing on building the Pendulum Network Project ("Pendulum") which was established in June 2021.

Pendulum aims to establish the missing link between fiat currency and De-Fi ecosystems through a sophisticated smart contract network. It is intended that the Pendulum network will connect De-Fi to the larger foreign exchange market, aggregating stablecoin liquidity for fiat currencies in liquidity pools of automated market makers ("AMMs"). This technology allows nearly instant foreign exchange with low slippage and fees while eliminating counterparty risks. With

AMMs all users are additionally able to provide liquidity in any chosen currency and earn yield from that activity.

Having incubated Pendulum from June 2021, SatoshiPay announced in November 2021, that Pendulum had raised US$5 million in an oversubscribed private sale round of its upcoming PEN token from strategic partners. Since raising these funds Pendulum and SatoshiPay have achieved the following key milestones:

• secured a place on the Berkeley University blockchain Xcelerator program and received a grant from the Web3 Foundation to build a bridge (Spacewalk Bridge) between Stellar and Substrate-based parachains.

• launched a second parachain project, Amplitude, in June 2022 and won a Kusama parachain auction on 4 July 2022, achieving $1.2 million in contributions. Amplitude went live on 11 August 2022 and serves as a testing ground for the future Pendulum parachain, with new features first being rolled out on Amplitude.

• SatoshiPay achieved profitability in the year ended 31 December 2021 and is expected to continue to be profitable in 2022.

• developed close relationships with a number of large crypto organisations such as Web3 Foundation, Parity and Stellar Development Foundation and a growing reputation generally in the blockchain ecosystem.

• SatoshiPay successfully incubated the 0xAmber AMM Project for which it secured 5 per cent of 0xAmber's future tokens. Amber is a novel AMM design for low-risk, single-sided liquidity provision, significantly lower slippage and fees compared to other AMM designs.

Post year end, in late December 2022, Pendulum announced that it had completed a crowdloan and was set to become a Polkadot Parachain. The Campaign was the fastest parachain crowdloan in the history of the Polkadot ecosystem, reaching a hardcap of 300,000 $DOT (approximately £1.14 million) in approximately three minutes. The Campaign marked the highest auction hardcap since May 2022 in the Polkadot ecosystem and is seen as a demonstration of the strong support and enthusiasm for Pendulum's integration into this ecosystem.

In February 2023, Pendulum announced it was now live on the Polkadot mainnet. The mainnet launch is the first phase of a three phase Pendulum launch roadmap and marks a significant milestone for both the project and its community. Phase two will be the token transfer event that allows for the transfer of tokens. The availability of the PEN token on exchanges will be achieved in the third phase. This third step is crucial because it will allow new users to access and utilise the Pendulum blockchain. Pendulum also announced that it was its intention to complete the launch roadmap by March 2023.

Outside of Pendulum and its linked business opportunities, SatoshiPay owns 100% of Dtransfer which was established in 2019 as a cross-border payment solution on blockchain. The directors of SatoshiPay believe the money transfer market is primed for disruption and the launch of Pendulum is an important step in SatoshiPay entering this market. SatoshiPay plan on reinvigorating their efforts with Dtransfer once the Pendulum launch is successfully completed.

The successful incubation of Pendulum followed by 0xAmber.com (formerly: Amber.com) provides the board of SatoshiPay with confidence that they are well positioned to incubate other DeFi applications with a stablecoin, foreign exchange or business focus.

Blue Star currently has a 27.9% interest in SatoshiPay's share capital, which is valued on the basis of the last external fund raise in 2019 at approximately £4.72 million. It has been the Board's view for some time that the valuation of SatoshiPay may have increased significantly since the last fund raise in 2019. In order to assess the market value of SatoshiPay the Board of Blue Star is looking to carry out a formal sales process at an appropriate time in the next twelve months which may lead to the sale of all or part of its shareholding in SatoshiPay. There is no guarantee that this exercise will result in a whole or partial sale but the Board believes it's important to undertake such a process so as to obtain a better understanding of SatoshiPay's current and potential value.

Other investments

Sthaler Limited

Sthaler is a Digital Identity business which enables an individual to identify themselves using the unique vein patterns within a finger. Its FinGo ID platform uses a biometric called VeinID which instantly recognises an individual through the unique pattern of veins inside each finger. FinGo Pay is approved to authenticate multiple payment types including payment cards and real-time payments (bank-to-bank).

During the period under review, Sthaler secured partnerships in Australia, Poland, UK and Egypt in the following sectors: general retail, healthcare and gaming. Nick Dryden, the founder, has changed roles, moving to Executive Chairman and Billy Dally, formerly of Goldman Sachs and Dubai Holdings, has been appointed Chief Executive officer.

Blue Star's shareholding in Sthaler is approximately 0.7% at 30 September 2022 and is valued on the basis of Sthaler's last completed fundraise, valuing Blue Star's holding at approximately £394,412, compared with a cost of £50,000.

East Sides Games ("ESG")

ESG is a leading creator of free to play mobile games and owns a number of successful games titles. In January 2022, ESG announced a multi-year partnership with BBC Studios, the commercial subsidiary of the global British Broadcasting Corporation ("BBC"), for the worldwide release of a free-to-play mobile title based on the Doctor Who franchise.

In April 2020, Blue Star invested approximately £57,000 into ESG, formerly known as LEAF, at a price of CAD$1.60 per consolidated share (following a 10:1 share consolidation which occurred in July 2021), prior to listing the shares on the TSX Venture Exchange. ESG's shares traded at CAD$1.75 as of 30 September 2022, valuing Blue Star's holding at approximately £71,400.

NFT Investments plc

The Company held 5,750,000 shares in NFT Investments plc which at the period end were valued at approximately

£57,000 and, as part of the Company's strategy of selling non-core investments, these were sold on 14 November 2022.

Outlook

The Company has set out a clear strategy for maximising shareholder value over the next two years and is focused on achieving the key objectives it has set. The two key investments are well positioned to deliver on their strategies, and we will continue supporting them wherever possible. While Blue Star is a long-term shareholder, we must consider the most appropriate time to exit our investments and this will be a key consideration in the next twelve months. Overall, we believe the portfolio has significant upside and look forward to working with our portfolio companies to realise this value.

Anthony Fabrizi

Executive Chairman

7 March 2023

Strategic Report

The Directors present their strategic report on the Company for the year ended 30 September 2022.

Review of Business and Analysis Using Key Performance Indicators

The full year's loss was £1,301,008 compared to a profit of £2,129,315 for the year ended 30 September 2021.

Net assets have decreased to £11,414,507 at 30 September 2022, changing from £12,715,515 at 30 September 2021. The cash position at the end of the year decreased to £86,575 from £296,106 as at 30 September 2021.

During the year, there was a fair value decrease in the company's investment assets of, £445,223 (2021: £2,459,412 gain). A full review of the company's portfolio investments is provided in the Chairman's statements.

Key Performance Indicators

The Board monitors the activities and performance of the Company on a regular basis. The indicators set out below have been used by the Board to assess performance over the year to 30 September 2022. The main KPIs for the Company are listed as follows:

	2022	2021
Valuation of investments	£11,390,278	£12,367,204
Cash and cash equivalents	£86,575	£296,106
Net current assets	£24,229	£197,465
(Loss)/Profit before tax	(£1,301,008)	£2,129,315

	2022	**2021**
Valuation of investments	£11,390,278	£12,367,204
Cash and cash equivalents	£86,575	£296,106
Net current assets	£24,229	£197,465
(Loss)/Profit before tax	(£1,301,008)	£2,129,315

Investing Policy

Assets or companies in which the Company can invest

The Company can invest in assets or companies in, inter alia, the following sectors:

- Technology;
- Gaming and esports; and
- Media

The Company's geographical range is mainly UK companies but considers opportunities globally and will actively co-invest in larger deals.

The Company can take positions in investee companies by way of equity, debt or convertible or hybrid securities.

Whether investments will be active or passive investments

The Company's investments are passive in nature but may be actively managed. The Company may be represented on, or observe, the boards of its investee companies.

Holding period for investments

The Company's investments are likely to be illiquid and consequently are to be held for the medium to long term.

Spread of investments and maximum exposure limits, policy in relation to cross-holdings and investing restrictions.

The Company does not have any maximum exposure limits, limits on cross-holdings or other investing restrictions. Under normal circumstances, it is the Directors' intention not to invest more than 10% of the Company's gross assets in any individual company (calculated at the time of investment). The Company has accumulated a 27.9% stake in SatoshiPay, and a 13% stake in Dynasty, both of which investments the Board believes represents rare opportunities to generate significant shareholder value.

Policy in relation to gearing

The Directors may exercise the powers of the Company to borrow money and to give security over its assets. The Company may also be indirectly exposed to the effects of gearing to the extent that investee companies have outstanding borrowings.

Returns and distribution policy

It is anticipated that returns from the Company's investment portfolio will arise upon realisation or sale of its investee companies, rather than from dividends received. Whilst it is not possible to determine the timing of exits, the Board will seek to return capital to shareholders when appropriate.

Life of the Company

The Company has an indefinite life dependent on obtaining sufficient funding.

Future developments

The Company is continuing to develop an investment portfolio with the capacity for substantial growth and increases in value.

Promotion of the Company for the benefit of the members as a whole

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

The requirements of s172 are for the Directors to:

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

The following paragraphs summarise how the Directors fulfil their duties:

The Company is quoted on AIM and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, of the Board's broad and specific intentions and the rationale for its decisions. The Board recognises its responsibility for setting and maintaining a high standard of behaviour and business conduct. There is no special treatment for any group of shareholders and all material information is disseminated through appropriate channels and available to all through the Company's news releases and website.

When selecting investments, issues such as the impact on the community and the environment have actively been taken into consideration. The Company's approach is to use its position to promote positive change for the people with whom it interacts.

The Company is committed to being a responsible business. The Company pays its employees and creditors promptly and keeps its costs to a minimum to protect shareholders funds. There were no employees in the Company other than the 3 Directors in the current and prior-year and therefore effectiveness of employee policies is not relevant for the Group.

Principal risks and uncertainties

The Company seeks investments in late-stage venture capital and early-stage private equity opportunities, which by their very nature allow a diverse portfolio of investments within different sectors and geographic locations.

The Company's primary risk is loss or impairment of investments. This is mitigated by careful management of the investment and in particular, only continuing to support those investments which demonstrate potential to achieve a positive exit and decisively determining those which do not. Portfolio and capital management techniques are fully applied according to industry standard practice.

It may be necessary to raise additional funds in the future by a further issue of new Ordinary shares or by other means. However, the ability to fund future investments and overheads in Blue Star Capital Plc as well as the ability of investments to return suitable profit cannot be guaranteed, particularly in the current economic climate.

The value of companies similar to those in Blue Star Capital's portfolio and in particular those at an early stage of development, can be highly volatile. The price at which investments are made, and the price which the Company may realise for its investment, will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect the sector.

By Order of the Board

Anthony Fabrizi

Executive Chairman

7 March 2023

Directors' Report

The Directors present their report together with the audited financial statements for the year ended 30 September 2022.

Results and dividends

The trading results for the year ended 30 September 2022 and the Company's financial position at that date are shown in the attached financial statements.

The Directors do not recommend the payment of a dividend for the year (2021: £nil).

Principal activities and review of the business

The principal activity of the Company is to invest in the technology and the esports and gaming sectors. A review of the business is included within the Chairman's Statement and Strategic Report.

Directors serving during the year

Anthony Fabrizi	Appointed on 16 September 2022
Brian Rowbotham	
Sean King	
Derek Lew	Resigned on 16 September 2022

On 16 September 2022, Anthony Fabrizi was appointed as Executive Chairman and Derek Lew resigned.

Directors' interests

The Directors at the date of these financial statements who served, and their interest in the ordinary shares of the Company, are as follows:

	30 September 2022		30 September 2021	
	Number of ordinary Shares	**Warrants**	**Number of ordinary Shares**	**Warrants**
Anthony Fabrizi	-	-	77,000,000	-
Sean King	18,250,000	-	18,250,000	-
Derek Lew	211,527,778	-	211,527,778	-
Brian Rowbotham	-	-	-	-

Following the year-end, 170,000,000, 30,000,000, and 50,000,000 warrants were granted to the Directors Anthony Fabrizi, Sean King and Brian Rowbotham respectively (see note 22).

Significant shareholders

As at 24 February 2023, so far as the Directors are aware, the parties (other than the interests held by Directors) who are directly or indirectly interested in 3% or more of the nominal value of the Company's share capital is as follows:

	Number of Ordinary Shares	**Percentage of issued share capital**
Nicolas Slater	582,730,468	11.67%
Mark White	377,204,275	7.56%
Pioneer Media Holdings Inc	322,916,333	6.47%
Derek Lew	211,527,778	4.24%
Paniolo Ventures Limited	208,333,333	4.17%
K Rattan	150,000,000	3.00%

Related party transactions

Related party transactions and relationships are disclosed in note 19.

Going concern

The Company has reported a loss for the year excluding fair value loss on the valuation of investments and foreign exchange movements of £855,785.

The Company had cash reserves at the year-end of £86,575 and a portfolio of investment companies which include listed investments. The Directors have prepared a cashflow forecast which indicates that additional funds will be required during the year to continue to operate as per the forecast. These funds will be raised through the sale of its listed investments, some of which were sold in November 2022 raising £189,571. As set out in the Strategic Report, if necessary, the Board will also consider the need to raise additional funds by a further issue of new Ordinary shares.

The Directors therefore consider that the Company will be able to secure sufficient cash inflows for the Company to continue its activities for not less than 12 months from the date of approval of these financial statements; they have therefore prepared the financial statements on a going concern basis.

Events after the reporting date

Events after the reporting date are disclosed in note 22.

Political Donations

There were no political donations during the current or prior year.

Provision of information to Auditor

In so far as each of the Directors are aware at the time of approval of the report:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Adler Shine LLP have expressed their willingness to continue as auditor and a resolution to re-appoint Adler Shine LLP will be proposed at the Annual General Meeting.

On behalf of the Board of Directors

Executive Chairman

7 March 2023

Statement of Comprehensive Income

For the year ended 30 September 2022

	Note	2022 £	2021 £
Revenue		-	-
Loss on disposal of investments		(338,836)	-
Fair valuation movements in financial instruments designated at fair value through profit or loss	11	(445,223)	2,459,412
		(784,059)	2,459,412
Administrative expenses	3	(517,003)	(337,304)
Operating (loss)/profit	**4**	**(1,301,062)**	**2,122,108**
Finance income	5	54	7,207
(Loss)/Profit before and after taxation and total comprehensive income for the year		**(1,301,008)**	**2,129,315**
(Loss)/Profit per ordinary share:			
Basic earnings per share on (loss)/profit for the year	10	(0.03p)	0.05p
Diluted earnings per share on (loss)/profit for the year	10	(0.03p)	0.05p

The notes form part of these financial statements.

Statement of Financial Position

For the year ended 30 September 2022

2022 2021

	Note	2022 £	2021 £
Non-current assets			
Financial assets at fair value through profit or loss	11	11,390,278	12,367,204
Convertible loan note	12	-	150,846
Total non-current assets		**11,390,278**	**12,518,050**
Current assets			
Trade and other receivables	13	8,072	135,501
Cash and cash equivalents	14	86,575	296,106
Total current assets		**94,647**	**431,607**
Total assets		**11,484,925**	**12,949,657**
Current liabilities			
Trade and other payables	15	70,418	234,142
Total liabilities		**70,418**	**234,142**
Net assets		**11,414,507**	**12,715,515**
Shareholders' equity			
Share capital	16	4,892,774	4,892,774
Share premium account		9,575,072	9,575,072
Other reserves		-	-
Retained earnings		(3,053,339)	(1,752,331)
Total shareholders' equity		**11,414,507**	**12,715,515**

The financial statements were approved by the Board, authorised for issue on 7 March 2023 and were signed on its behalf by:

Anthony Fabrizi
Director

Registered number: 05174441

The notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 September 2022

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
Year ended 30 September 2021					
At 1 October 2020	4,133,251	9,074,957	143,210	(4,024,856)	9,326,562
Profit for the year and total comprehensive income	-	-	-	2,129,315	2,129,315
Shares issued in year	759,523	500,115	-	-	1,259,638
Exercise of warrants	-	-	(54,704)	54,704	-
Lapse of warrants	-	-	(88,506)	88,506	-
At 30 September 2021	**4,892,774**	**9,575,072**	**-**	**(1,752,331)**	**12,715,515**
Year ended 30 September 2022					
At 1 October 2021	4,892,774	9,575,072	-	(1,752,331)	12,715,515
Loss for the year and total comprehensive income	-	-	-	(1,301,008)	(1,301,008)
At 30 September 2022	**4,892,774**	**9,575,072**	**-**	**(3,053,339)**	**11,414,507**

Share capital

Share capital represents the nominal value on the issue of the Company's equity share capital, comprising £0.001 ordinary shares.

Share premium

Share premium represents the amount subscribed for the Company's equity share capital in excess of nominal value.

Other reserves

Other reserves represent the cumulative cost of share-based payments.

Retained earnings

Retained earnings represent the cumulative net income and losses of the Company recognised through the statement of comprehensive income.

The notes form part of these financial statements.

Cash Flow Statement

For the year ended 30 September 2022

	Note	2022 £	2021 £
Operating activities			
(Loss)/profit for the year		(1,301,008)	2,129,315
Adjustments:			
Finance income	5	(54)	(7,207)
Fair value losses/(gains)		445,278	(2,454,053)
Impairment of convertible note	12	150,846	-
Loss on disposal of investments		338,836	-
Working capital adjustments			
Decrease/(Increase) in trade and other receivables		127,429	(132,833)
(Decrease)/Increase in trade and other payables		(163,725)	206,256
Net cash used in operating activities		**(402,398)**	**(258,522)**
Investing activities			
Proceeds from sale of investments		192,867	-
Purchase of investments		-	(844,360)
Interest received		-	7,183
Net cash from/(used by) investing activities		**192,867**	**(837,177)**
Financing activities			
Proceeds from issue of equity		-	1,259,638
Net cash generated from financing activities		**-**	**1,259,638**
Net (decrease)/increase in cash and cash equivalents		**(209,531)**	**163,939**
Cash and cash equivalents at start of the year	14	296 106	132,167
Cash and cash equivalents at end of the year	14	86,575	296 106

The notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 September 2022

1. **Accounting policies**

General information

Blue Star Capital Plc (the Company) invests principally in the media, technology and gaming sectors.

The Company is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Griffin House, 135 High Street, Crawley RH10 1DQ.

The Company is listed on the Alternative Investment Market (AIM) market of the London Stock Exchange plc. The financial statements are presented in Pound Sterling (£) and rounded to the nearest £1.

Summary of significant accounting policies

The principal accounting policies adopted 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.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of assets and liabilities held at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in the financial statements, are disclosed in note 2.

Going concern

The Company has reported a loss for the year excluding fair value gain on the valuation of investments and foreign exchange movements of £855,785.

The Company had cash reserves at the year-end of £86,575 and a portfolio of investment companies which include listed investments. The Directors have prepared a cashflow forecast which indicates that additional funds will be required during the year to continue to operate as per the forecast. These funds will be raised through the sale of its listed investments, some of which were sold in November 2022 raising £189,571. If necessary, the Board will also consider the need to raise additional funds by a further issue of new Ordinary shares.

The Directors therefore consider that the company will be able to secure sufficient cash inflows for the Company to continue its activities for not less than 12 months from the date of approval of these financial statements; they have therefore prepared the financial statements on a going concern basis.

New standards, amendments and interpretations adopted by the Company

The following IFRS or IFRIC interpretations were effective for the first time for the financial year beginning 1 October 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

Standards/interpretations	**Application**
IFRS 7	*Financial Instruments: Disclosure.* Amendments regarding replacement issues in the context of the IBOR reform
IFRS 9	*Financial Instruments* Amendments regarding replacement issues in the context of the IBOR reform
IFRS 16	*Leases* Amended by Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
IAS 39	*Financial Instruments: recognition and measurement* Amendments regarding replacement issues in the context of the IBOR reform

New standards, amendments and interpretations not yet adopted

Standards/interpretations	**Application**	Effective date
IFRS 3	*Business combination* Amendments updating a reference to the Conceptual Framework.	01/01/2022
IFRS 16	*Leases* Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	01/01/2024

	measures sale and leaseback transactions.	
IAS 1	*Presentation of Financial Statements* Amendments regarding the classification of liabilities	01/01/2024
	Amendments regarding the disclosure of accounting policies	01/01/2023
	Amendments regarding the disclosure of accounting policies	01/01/2024
IAS 8	*Accounting policies, Changes in Accounting Estimates and Errors* Amendments regarding the definition of accounting estimates	01/01/2023
IAS 10	*Events after the reporting date* Amendments resulting from Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01/01/2023
IAS 12	*Income Taxes* Amendments resulting from Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01/01/2023
IAS 16	*Property, Plant and Equipment* Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.	01/01/2022
IAS 37	*Provision, Contingent Liabilities, Contingent Assets* Amendments regarding the costs to include when assessing whether a contract is onerous	01/01/2022

There are no IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity or available for sale.

The Company's accounting policy for each category is as follows:

Fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets designated at fair value through the profit or loss are those that have been designated by management upon initial recognition. Management designated the financial assets, comprising equity shares and warrants, at fair value through profit or loss upon initial recognition due to these assets being part of the Company's financial assets, which are managed and their performance evaluated on a fair value basis.

Financial assets at fair value through the profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in "Fair valuation movements in financial assets designated at fair value through profit or loss".

Financial assets, comprising equity shares and warrants, are valued in accordance with the International Private Equity and Venture Capital ("IPEVC") guidelines.

(a) Early-stage investments: these are investments in immature companies, including seed, start-up and early-stage investments. Such investments are valued at cost less any provision considered necessary, until no longer viewed as an early stage

(b) or unless significant transactions involving an independent third-party arm's length, values the investment at a materially different value:

(c) Development stage investments: such investments are in mature companies having a maintainable trend of sustainable revenue and from which an exit, by way of floatation or trade sale, can be reasonably foreseen. An investment of this stage is periodically re-valued by reference to open market value. Valuation will usually be by one of five methods as indicated below:

I. At cost for at least one period unless such basis is unsustainable;

II. On a third-party basis based on the price at which a subsequent significant investment is made involving a new investor;

III. On an earnings basis, but not until at least a period since the investment was made, by applying a discounted price/earnings ratio to the profit after tax, either before or after interest;

IV. On a net asset basis, again applying a discount to reflect the illiquidity of the investment; or

V. In a comparable valuation by reference to similar businesses that have objective data representing their equity value.

(d) Quoted investments: such investments are valued using the quoted market price, discounted if the shares are subject to any particular restrictions or are significant in relation to the issued share capital of a small quoted company.

At each balance sheet date, a review of impairment in value is undertaken by reference to funding, investment or offers in progress after the balance sheet date and provisions is made accordingly where the impairment in value is recognised.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Financial liabilities

The Company classifies its financial liabilities in the category of financial liabilities measured at amortised cost. The Company does not have any financial liabilities at fair value through profit or loss.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include:

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Finance income

Finance income relates to interest income arising on cash and cash equivalents held on deposit and interest accrued on loans receivable. Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Operating loss

Operating loss is stated after crediting all items of operating income and charging all items of operating expense.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of the cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations under onerous leases are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Share-based payments

All services received in exchange for the grant of any share-based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options/warrants awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Share based payments are ultimately recognised as an expense in the Statement of Comprehensive Income with a corresponding credit to other reserves in equity, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options/warrants expected to vest. Non-market vesting conditions are included in assumptions about the number of options/warrants that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options/warrants expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Where share options are cancelled, this is treated as an acceleration of the vesting period of the options. The amount that otherwise would have been recognised for services received over the remainder of the vesting period is recognised immediately within the Statement of Comprehensive Income.

2. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The 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 those in relation to:

Fair value of financial instruments

The Company holds investments that have been designated at fair value through profit or loss on initial recognition. The Company determines the fair value of these financial instruments that are not quoted, using valuation techniques, contained in the IPEVC guidelines. These techniques are significantly affected by certain key assumptions. Other valuation methodologies such as discounted cash flow analysis assess estimates of future cash flows and it is important to recognise that in that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

In certain circumstances, where fair value cannot be readily established, the Company is required to make judgements over carrying value impairment, and evaluate the size of any impairment required.

The methods and assumptions applied, and the valuation techniques used, are disclosed in note 11.

3. Nature of expenses

	2022 £	2021 £
Directors remuneration	156,750	117,667
Legal and professional fees	164,330	144,520
Impairment of convertible note	150,846	-
Foreign exchange movement on convertible loan note	-	12,519
Other expenses	45,077	62,598
	517,003	337,304

4. Operating (loss)/profit

	2022 £	2021 £

This is stated after charging:		
Auditor's remuneration - statutory audit fees	14,275	14,100

5. **Finance income**

	2022 £	2021 £
Interest received on short term deposits	54	24
Interest receivable on convertible loan note	-	7,183
	54	7207

6. Share based payments

Share warrants

	2022 Weighted average exercise price (p)	2022 Number	2021 Weighted average exercise price (p)	2021 Number
Outstanding at the beginning of the year	0.25	591,666,667	0.21	1,448,333,333
Lapsed during year	0.25	(591,666,667)	0.17	(428,333,333)
Exercised during the year	-	-	0.16	(428,333,333)
Outstanding at the end of the year	-	-	0.25	591,666,667

The contracted average remaining life of warrants at 30 September 2021 was 0.1 years.

At 30 September 2022, the Company had no warrants in issue.

7. **Staff costs, including Directors**

	2022 £	2021 £
Wages and salaries	107,750	42,667
Share-based payments	-	50,000
Social security costs	-	7,130
	107,750	99,797

During the year the Company had an average of 3 employees who were management (2021: 3). The employees are Directors and key management personnel of the Company.

8. **Directors' and key management personnel**

Directors' remuneration for the year ended 30 September 2022 is as follows:

	Salary	Fees	Share based payments	Compensation for loss of office	Total 2022
D Lew	68,750	-	-	25,000	93,750
B Rowbotham	39,000	-	-	-	39,000
S King	-	24,000	-	-	24,000
	107,750	24,000	-	25,000	156,750

Directors' remuneration for the year ended 30 September 2021 is as follows:

	Salary	Fees	Share based payments	Compensation for loss of office	Total 2021
A Fabrizi	26,667	-	-	25,000	51,667
D Lew	-	-	50,000	-	50,000
B Rowbotham	16,000	-	-	-	16,000
S King	-	24,000	-	-	24,000
	42,667	24,000	50,000	25,000	141,667

Emoluments above are paid in full at the end of both financial years.

9. **Taxation**

The tax assessed on loss before tax for the year differs to the applicable rate of corporation tax in the UK for small companies of 19% (2021: 19%). The differences are explained below:

companies of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/ Profit before tax	(1,301,008)	2,129,315
Profit) before tax multiplied by effective rate of corporation tax of 19% (2021:19%)	(247,191)	404,570
Effect of:		
Loss on disposal of investments	64,379	-
Fair value gain on investments	84,721	(526,765)
Capital losses	(18,862)	-
Capital allowances	(168)	(204)
Expenses not deductible for tax purposes	-	36
Losses carried forward	117,121	122,363
Tax charge in the income statement	-	-

The Company has incurred tax losses for the year and a corporation tax expense is not anticipated. The amount of the unutilised tax losses has not been recognised in the financial statements as the recovery of this benefit is dependent on future profitability, the timing of which cannot be reasonably foreseen. The unrecognised and revised deferred tax asset at 30 September 2022 is £81,058 (2021: £817,710).

On 10 June 2021, the UK Government's proposal to increase the rate of UK corporation tax from 19% to 25% with effect from 1 April 2023 was enacted into UK law.

10. Earnings per ordinary share

The earnings and number of shares used in the calculation of loss/earnings per ordinary share are set out below:

	2022	2021
Basic:		
(Loss)/Profit for the financial period	(1,301,008)	2,129,315
Weighted average number of shares	4,992,772,996	4,617,745,344
(Loss)/Earnings per share (pence)	(0.03)	0.05
Fully Diluted:		
(Loss)/Profit for the financial period	(1,301,008)	2,129,315
Weighted average number of shares	4,992,772,996	4,617,745,344
(Loss)/Earnings per share (pence)	(0.03)	0.05

As at the end of the financial period ended 30 September 2022, there were no share warrants in issue, which had an anti-dilutive effect on the weighted average number of shares.

11. Investments

Investments	2022 £	2021 £
At start of year	12,367,204	9,063,432
Additions	-	844,360
Disposals	(531,703)	-
Net fair value (loss)/gain for the year	(445,223)	2,459,412
At end of year	11,390,278	12,367,204

During the year the Company reduced it's shareholding in Guild Esports plc and NFT Investment's plc in order to raise working capital. This reduction resulted in a loss on disposal of £338,836. The Company also impaired its smaller unquoted esports investments.

Quoted Investments	2022 £	2021 £
Quoted investments (as previously stated)	599,482	1,672,929
Transfer from unquoted	-	247,500
Quoted investments (as restated)	599,482	1,920,429

Unquoted Investments	2022 £	2021 £
Unquoted investments (as previously stated)	10,790,796	10,694,275
Transfer to quoted investments		(247,500)

Transfer to quoted investments	-	(247,500)
Unquoted investments (as restated)	10,790,796	10,446,775

The comparative figures for quoted and unquoted investments has been restated as a quoted investment had previously been miscategorised under quoted investments.

The country of incorporation for all investments held at 30 September 2022 are listed below:

	£	**Country of Incorporation**
Dynasty Media & Gaming	5,550,322	Singapore
Guild Esports PLC	471,957	United Kingdom
East Side Group (Formerly Leaf Mobile Inc)	71,462	Canada
SatoshiPay Limited	4,715,219	United Kingdom
Sthaler Limited	394,412	United Kingdom
NFT Investments PLC	56,063	United Kingdom
Paidia Esports Inc	65,337	Canada
Googly Media Holdings PTE. Limited	65,506	Singapore
	11,390,278	

The methods used to value the unquoted investments are described below.

Fair value

The fair value of unquoted investments is established using valuation techniques. These include the use of quoted market prices, recent arm's length transactions, the Black-Scholes option pricing model and discounted cash flow analysis. Where a fair value cannot be estimated reliably the investment is reported at the carrying value at the previous reporting date in accordance with International Private Equity and Venture Capital ("IPEVC") guidelines.

The Company assesses at each balance sheet date whether there is any objective evidence that the unquoted investments are impaired. The unquoted investments are deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future fair value of the investments that can be reliably measured.

12. Convertible loan note

	2022 **£**	**2021** **£**
Convertible loan note	-	150,846
	-	150,846

On 11 October 2019, the Company invested US$185,000 in convertible loan notes issued by The Dibs Esports Corp. The loan notes carried interest of 5% per annum and had a 36-month life span.

After a review conducted by the Directors, the Directors considered that there was doubt as to the recoverability of this asset and have fully provided against the amount owed.

13. Trade and other receivables

	2022 **£**	**2021** **£**
Prepayments	3,175	771
Other receivables	4,897	134,730
	8,072	135,501

In the prior year, included within other receivables was a £122,507 receivable in respect of exercise of warrants. This amount was received post year end.

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

14. Cash and cash equivalents

	2022 **£**	**2021** **£**
Cash at bank and in hand	86,575	296,106
	86,575	296,106

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments with an original maturity of three months or less. The Directors consider that the carrying value of cash and cash equivalents approximates to their fair value.

fair value.

15. Trade and other payables

	2022 £	2021 £
Trade payables	31,793	13,948
Accruals	33,162	14,731
Other payables	5,463	205,463
	70,418	234,142

All trade and other payables fall due for payment within one year. The Directors consider that the carrying value of trade and other payables approximates to their fair value.

16. Share capital

	Issued and fully paid			
	2022 Number	2022 £	2021 Number	2021 £
At 1 October	4,992,772,996	4,892,774	4,233,249,519	4,133,251
Shares issued in the year	-	-	759,523,477	759,523
At 30 September	4,992,772,996	4,892,774	4,992,772,996	4,892,774

During the year ended 30 September 2022 there were no shares issued.

During the year ended 30 September 2021 the following shares were issued:

	Number	£	Issue price per share
9 November 2020	95,000,000	95,000	0.1p
16 April 2021	585,079,032	1,023,888	0.175p
5 May 2021	34,444,445	62,000	0.18p
5 May 2021	45,000,000	78,750	0.175p
	759,523,477	1,259,638	

17. Financial risk management

Interest rate risk

The Company's exposure to changes in interest rates relate primarily to cash and cash equivalents. Cash and cash equivalents are held either on current or on short term deposits at floating rates of interest determined by the relevant bank's prevailing base rate. The Company seeks to obtain a favourable interest rate on its cash balances through the use of bank treasury deposits. Any reasonable change in interest rate would not have a material impact on finance income that the Company could receive in the course of a year, based on the current level of cash and cash equivalents either held in current accounts or short-term deposits.

Market risk

The Company's market risk is attributable to the financial instruments that are held at fair value through profit and loss. The potential that future changes in market conditions may make an instrument less valuable, due to fluctuations in security prices, as well as interest and foreign exchange rates. Market risk is directly impacted by the volatility and liquidity in the markets in which the related underlying assets are traded.

Sensitivity analysis

The following table looks at the impact on net profit or loss based on a given movement in the fair value of all the investments.

	2022 £	2021 £
[illegible]	[illegible]	[illegible]

10% increase in fair value	1,139,028	1,236,720
10% decrease in fair value	1,035,480	1,124,291
20% increase in fair value	2,278,056	2,473,441
20% decrease in fair value	1,898,380	2,061,200
30% increase in fair value	3,417,083	3,710,161
30% decrease in fair value	2,628,526	2,853,970

Borrowing facilities

The operations to date have been financed through the placing of shares and investor loans. It is the Board's policy to keep borrowing to a minimum, where possible.

Liquidity risks

The Company seeks to manage liquidity risk by ensuring sufficient liquid assets are available to meet foreseeable needs and to invest liquid funds safely and profitably. All cash balances are immediately accessible and the Company holds no trades payable that mature in greater than 3 months, hence a contractual maturity analysis of financial liabilities has not been presented. Since these financial liabilities all mature within 3 months, the Directors believe that their carrying value reasonably equates to fair value.

Foreign currency risk management

The Company undertakes certain transactions denominated in currencies other than pound sterling, hence exposures to exchange rate fluctuations arise. The fair values of the Company's investments that have foreign currency exposure at 30 September 2022 are shown below.

	2022			
	EUR	SGD	CAD	AUD
	£	£	£	£
Fair value of investments	4,715,219	5,615,289	136,799	-

	2021			
	EUR	SGD	CAD	AUD
	£	£	£	£
Fair value of investments	4,609,226	4,826,405	324,315	139,449

The Company accounts for movements in fair value of financial assets in the comprehensive income. The following table illustrates the sensitivity of the equity in regard to the company's financial assets and the exchange rates for £/Euro, £/Singapore Dollar, £/Canadian Dollar and £/Australian Dollar.

It assumes the following changes in exchanges rates:

- £/EUR +/- 20% (2021: +/- 20%)
- £/SGD +/- 20% (2021: +/- 20%)
- £/CAD +/- 20% (2021: +/- 20%)
- £/AUD +/- 20% (2021: +/- 20%)

The sensitivity analysis is based on the Company's foreign currency financial instruments held at each balance sheet date.

If £ Sterling had weakened against the currencies shown, this would have had the following effect:

	2022			
	EUR	SGD	CAD	AUD
	£	£	£	£
Increase in fair value of investments	943,044	1,123,166	27,360	-

	2021			
	EUR	SGD	CAD	AUD
	£	£	£	£
Increase in fair value of investments	921,845	935,971	64,863	27,890

If £ Sterling had strengthened against the currencies shows, this would have had the following effect:

	2022			
	EUR	SGD	CAD	AUD
	£	£	£	£
Reduction in fair value of investments	(785,870)	(935,971)	(22,800)	-

	2021

	EUR	SGD	CAD	AUD
	£	£	£	£
Reduction in fair value of investments	(768,204)	(804,401)	(44,236)	(23,242)

The Company's functional and presentational currency is the pound sterling as it is the currency of its main trading environment.

Credit risk

The Company's credit risk is attributable to cash and cash equivalents and trade and other receivables.

Cash is deposited with reputable financial institutions with a high credit rating. The maximum credit risk relating to cash and cash equivalents and trade and other receivables is equal to their carrying value of £94,647 (2021: £431,607)

Capital Disclosure

As in previous years, the Company defines capital as issued capital, reserves and retained earnings as disclosed in statement of changes in equity. The Company manages its capital to ensure that the Company will be able to continue to pursue strategic investments and continue as a going concern. The Company does not have any externally imposed financial requirements.

18. Financial Instruments

Set out below is an overview of financial instruments held by the company:

	Note	2022 £	2021 £
Financial assets at fair value through profit and loss			
Investments	11	11,390,278	12,367,204
Cash and cash equivalents	14	86,575	296,106
Total		11,476,853	12,663,310
Financial assets at amortised cost			
Trade and other receivables	13	8,072	135,501
Convertible loan note	12	-	150,846
Total		8,072	286,347
Financial liabilities at amortised cost			
Trade payables	15	31,793	13,948
Other payables	15	5,463	205,463
Total		37,256	219,411

The fair value measurement of financial assets carried at fair value through profit and loss is set out in the table below:

Fair value measurement

	Note	Level 1 £	Level 2 £	Level 3 £
At 30 September 2022				
Investments	11	599,482	-	10,790,796
Total financial assets		599,482	-	10,790,796
At 30 September 2021				
Investments	11	1,920,429	-	10,446,775
Convertible loan note	12	-	-	150,846
Total financial assets		1,920,429	-	10,597,621

19. Related party transactions

The Company had a 4.23% investment in Guild Esports plc at year-end. Derek Lew, previously a director of the Company, is also a non-executive director of Guild Esports plc. The Company also has a 0.08% investment in Leaf Mobile Inc where Derek Lew is a non-executive director.

Sean King was paid his directors fees of £24,000 (2021: £24,000) through Three S Ventures Limited. At the year-end an amount of £2,000 (2021: £nil) was included within Other payables and an amount of £2,000 (2021: £nil) was included within Trade payables.

Prior to Anthony Fabrizi's appointment as Executive Chairman, fees of £15,000 were paid to him in respective of consultancy services provided to the Company.

20. Operating lease commitments

At the balance sheet date, the Company had no outstanding commitments under operating leases.

21. Ultimate Controlling Party

The Company considers that there is no ultimate controlling party.

22. Post Balance Sheet Events

On 30 January 2023 the Company granted the following warrants to the directors, with an exercise period of 3 years.

	Number of warrants granted	Exercise price
Anthony Fabrizi	140,000,000	0.35p
	30,000,000	0.45p
Brian Rowbotham	40,000,000	0.35p
	10,000,000	0.45p
Sean King	20,000,000	0.35p
	10,000,000	0.45p

END

FR JFMJTMTMMTIJ