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Seed Innovations Limited
19 June 2024

Seed Innovations Ltd / AIM: SEED / Sector: Closed End Investments

19 June 2024

SEED Innovations Limited

("SEED" or the "Company")

Final Results

SEED Innovations Ltd, the AIM-quoted investment company offering exposure to disruptive, high-growth, life sciences and technology ventures typically inaccessible to everyday investors, is pleased to announce its Final Results for the year ended 31 March 2024. A copy of the Report & Accounts will be available on the Company's website, https://seedinnovations.co/investor-centre/financial-reports.

OVERVIEW

- Shares currently trading at c.70% discount to 31 March 2024 NAV.
- Strong cash position of approximately £3.9 million as at the date of this announcement (representing approximately the Company's current market capitalisation).
- Recent programme of building and returning value to shareholders:
    - Completed a buyback share programme of 19.8 million Ordinary Shares for £0.5 million as a reflection of strong financial position.
    - Paid a maiden special dividend of 1.0 pence (£0.01) per SEED share post period end following sale of Leap Gaming.
- Following write-downs and sales of underperforming investments, the portfolio is rationalised to a tighter group of more established and capitalised investments.
- Appreciation of value of Avextra showing upward trend of £0.8 million over the period.
- Clean Food Group continues to scale up its precise fermentation technology, attract non-dilutive capital in the form of grants and welcome Clean Growth Fund as a new investor raising £2.5 million.
- Optimistic about the outlook for its portfolio companies and agile to capitalise on emerging trends and other investment opportunities.

CHAIRMAN'S STATEMENT

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

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

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

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

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

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

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

Ian Burns
Non-Executive Chairman
18 June 2024

REPORT OF THE CHIEF EXECUTIVE OFFICER

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

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

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

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

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

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

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

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

Ed McDermott

CEO

18 June 2024

INVESTMENT PORTFOLIO REPORT

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

Holding	Category	Valuation at 31 March 2023 £'000	Valuation at 31 March 2024 £'000	% of NAV
Juvenescence Limited	Biotech	2,556	2,509	18.4%
Avextra AG*	Biotech/ Cannabis	4,436	2,740	20.1%
Clean Food Group Ltd**	Biotech	965	1,182	8.7%
Little Green Pharma	Biotech/ Cannabis	715	529	3.9%
Inveniam Capital Partners Inc.	Fintech	596	344	2.5%
Portage Biotech Inc.	Biotech	94	17	0.1%
OTO International Ltd (SWB)***	CBD Wellness	590	-	-
Northern Leaf Ltd	Biotech/ Cannabis	960	-	-
Leap Gaming	Gaming	5,106	-	-
Total Investment Value		**16,019**	**7,321**	**53.8%**
Cash and receivables, net of payables and accruals		**14**	**6,283**	**46.2%**
Net Asset Value		**16,032**	**13,604**	**100%**

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

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

***Includes CLN due from SWB

Avextra AG (formally Eurox) ('Avextra')

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

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

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

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

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

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

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

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

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

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

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

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

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

Little Green Pharma ('LGP')

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

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

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

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

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

Inveniam Capital Partners ('Inveniam')

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

OTO International Limited ('OTO')

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

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

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

Portage Biotech, Inc ('Portage')

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

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

Northern Leaf Ltd ('Northern Leaf')

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

Following the failure of its IPO ambition, a disappointing emergency fundraise at a down round in late 2023/early 2024

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
Non-current assets			
Financial assets at fair value through profit or loss	12	7,321	16,019
		7,321	**16,019**
Current assets			
Cash and cash equivalents		3,885	30
Other receivables	14	2,426	50
		6,311	**80**
Total assets		**13,632**	**16,099**
Current liabilities			
Payables and accruals	15	(28)	(67)
		(28)	**(67)**
Net assets		**13,604**	**16,032**

Financed by			
Share capital	16	2,020	2,127
Other distributable reserve		11,584	13,905
		13,604	16,032
Net assets per Ordinary share	17	6.73	7.54

STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2024

		Share Capital	Employee share option reserve	Other distributable reserve	Total
		£'000	**£'000**	**£'000**	**£'000**
Balance as at 1 April 2022	**Note**	**2,127**	**212**	**18,122**	**20,461**
Total comprehensive loss for the year		-	-	(4,459)	(4,459)
Transactions with shareholders					
Employee share scheme - value of employee services	**7**	-	30	-	30
Transfer of value of lapsed options			(242)	242	-
Balance as at 31 March 2023		**2,127**	**-**	**13,905**	**16,032**
Balance as at 1 April 2023		2,127	-	13,905	16,032
Total comprehensive loss for the year		-	-	(2,120)	(2,120)
Transactions with shareholders					
Ordinary Share buyback		(107)		(201)	(308)
Balance as at 31 March 2024		**2,020**	**-**	**11,584**	**13,604**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

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

Foreign exchange movement	(63)	63
Cash and cash equivalents carried forward	**3,885**	**30**

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

1. General Information

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

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

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

2. Basis of Preparation

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

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

In the current year, the Company has adopted all the applicable new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 April 2023. The adoption of the standards and interpretations has not had a significant impact on the content or presentation of these financial statements; refer below for additional consideration.

(a) Standards and amendments to existing standards effective 1 April 2023

There are no standards, amendments to standards or interpretations that are effective for the annual period beginning on or after 1 April 2023 that have a material effect on the financial statements of the Company.

(b) New standards, amendments and interpretations effective after 1 April 2023 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for the annual periods beginning on or after 1 April 2023 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

3. Material Accounting Policies

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

a) Investment Income

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

b) Expenses

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

c) Taxation

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

d) Financial instruments

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

(i) Recognition and initial measurement

Financial assets at fair value through profit or loss are recognised initially on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

Financial assets at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

Business model assessment

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

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

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

All other financial assets are classified as measured at FVTPL.

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

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

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

The Company has determined that it has two business models:

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

(iii) Assessment whether contractual cash flows are SPPI

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

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

In making the assessment, the Company considers:

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

(iv) Reclassification

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

(v) Subsequent measurement

Financial assets at fair value through profit or loss

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

Financial assets at amortised cost

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

(vi) Financial liabilities - classification and subsequent measurement

Non - derivative financial liabilities

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

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

(vii) Fair value measurements

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

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

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

Transfers between levels of the fair value hierarchy

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

(viii) Amortised cost measurement

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

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

(ix) Impairment

The Company recognises loss allowances for Expected Credit Losses ("ECL") on financial assets measured at amortised cost.

cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more

than 30 days past due. The Company considers a financial asset to be in default:

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

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

(x) Derecognition

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

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Company has transferred substantially all the risks and rewards of the asset; or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through

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

(xi) Offsetting

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

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

e) Cash and cash equivalents

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

f) Foreign currency translation

Functional and presentation currency

The Company's Ordinary Shares are denominated in Sterling and are traded on AIM in Sterling. The primary activity of the Company is detailed in the Investing Policy on page 10. The performance of the Company is measured and reported to the investors in Sterling and the majority of the expenses incurred by the Company are in Sterling. Consequently, the Board of Directors considers that Sterling is the currency that most faithfully represents the effects of the underlying transactions, events and conditions. The financial statements are presented in Sterling, which is the Company's functional and presentation currency. All amounts are rounded to the nearest thousand.

Transactions and balances

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

g) Net assets per share

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

h) Earnings/(Loss) per share

Basic earnings/(loss) per share

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

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

Diluted earnings/(loss) per share

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

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

i) Transaction costs

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

j) Equity

Share Capital

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

Employee Share Option Reserve

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

Other Distributable Reserve

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

for more than their par value, the excess will be moved to other distributable reserves).

k) Going concern

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

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

4. Critical Accounting Estimates and Judgements

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

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

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

Judgements

<u>Assessment as an investment entity</u>

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

- the Company has raised the commitments from a number of investors in order to raise capital to invest and to provide investor management services with respect to these private equity investments;
- the Company intends to generate capital and income returns from its investments which will, in turn, be distributed to the investors;

  and
- the Company evaluates its investment performance on a fair value basis, in accordance with the policies set out in these financial statements.

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

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

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

Estimates and assumptions

<u>Fair value of securities not quoted in an active market.</u>

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

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

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

5. Segmental Information

5. Segmental information

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

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

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

6. Administration Fees

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

In the year ended 31 March 2024, a total of£43,628 (2023: £40,759) was charged to the Statement of Comprehensive Income for Obsidian, of which £4,033 was payable at the financial reporting date (2023: £3,333).

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

7. Directors' Remuneration

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

- Ian Burns is entitled to an annual remuneration of £36,000 (2023: £36,000).
- Ed McDermott is entitled to an annual remuneration of £161,063 (2023: £161,760).
- Lance De Jersey is entitled to an annual remuneration of £106,000 (2023: £106,000).
- Luke Cairns is entitled to an annual remuneration of £36,000 (2023: £36,000).
- Alfredo Pascual is entitled to an annual remuneration of €106,000 (£90,598) (2023: Nil).

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

Year ended 31 March 2024

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

Year ended 31 March 2023

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

8. Other Expenses

	Year ended 31 March 2024 £'000	**Year ended 31 March 2023** £'000
Regulatory and listing fees	26	27
Directors' and Officers' liability insurance	37	10

Directors' and Officers' liability insurance	37	10
IT Costs	6	7
Consultancy fees	36	43
Salaries and Wages	26	84
Other expenses	76	12
	207	183

9. Tax effects of other comprehensive income

The Income Tax Authority of Guernsey has granted the Company exemption from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) (Amendment) Ordinance, 2012 and the income of the Company may be distributed or accumulated without deduction of Guernsey income tax. Exemption under the above mentioned Ordinance entails payment by the Company of an annual fee of £1,200for the calendar year ended 31 December 2023 and £1,600 from 1 January 2024 for each year in which the exemption is claimed. It should be noted, however, that interest and dividend income accruing from the Company's investments may be subject to withholding tax in the country of origin.

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

10. (Loss)/Earnings per Ordinary Share

The loss per Ordinary Share of 1.01p (2023: loss per Ordinary Share of 2.10p) is based on the loss for the year of £2,119,521(2023: loss £4,458,743) and on a weighted average number of 208,840,402 Ordinary Shares in issue during the year (2023: 212,747,395 Ordinary Shares).

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

11. Dividends

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

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

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

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

13. Fair value of financial instruments

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

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

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

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

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

The valuations used to determine fair values are validated and periodically reviewed by experienced personnel, in most cases this validation and review is undertaken by members of the Board, however professional third-party valuation firms are used for some valuations and the Company also has access to a network of industry experts by virtue of the personal networks of the directors and substantial shareholders. The valuations prepared by the Company or received from third parties are in accordance with the IPEV Guidelines. The valuations, when relevant, are based on a mixture of:

• Market approach (utilising EBITDA or Revenue multiples, industry value benchmarks and available market prices approaches);
• Income approach (utilising Discounted Cash Flow, Replacement Cost and Net Asset approaches);
• Price of a recent transaction when transaction price/cost is considered indicative of fair value; and
• Proposed sale price.

As at 31 March 2024, 2 investments were valued as Level 1 investments within the fair value hierarchy, with the value being taken from the published bid price available as at that date (2023: 2 investments).

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

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

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

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

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

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

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

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

14. Other receivables

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

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

15. Payables and accruals

	31 March 2024 £'000	**31 March 2023** £'000

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

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

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

(i) Ordinary Shares

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

(ii) Deferred Shares

There were no changes to the number of deferred shares during the year.

(iii) Options

There are no options outstanding.

(iv) Directors' Authority to Allot Shares

The Directors are generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities. The Directors may determine up to a maximum aggregate nominal amount of 50% of the issued share capital during the period until the following Annual General Meeting. The Guernsey Companies Law does not limit the power of Directors to issue shares or impose any pre-emption rights on the issue of new shares.

(v) Shares held in Treasury

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

(vi) Warrants

There are no warrants outstanding.

(vii) Other Distributable Reserves

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

17. Net Assets per Ordinary Share

Basic and diluted

The basic and diluted net asset value per Ordinary Share is based on the net assets attributable to equity shareholders of £13,604,000 (2023: £16,032,000) and on 202,032,895 Ordinary Shares (2023: 212,747,395 Ordinary Shares) in issue at the end of the year. As all Warrants and Options expired unexercised during the prior year there was no dilutive effect as at 31 March 2024.

18. Related Parties

(i) Directors' remuneration

(i) Directors' remuneration

The Directors'remuneration for the year ended 31 March 2024 is disclosed in note 7. The Directors consider that there is no immediate or ultimate controlling party.

Ian Burns

Mr Burns is the legal and beneficial owner of Smoke Rise Holdings Limited, which held 1,674,024 (0.83%) Ordinary Shares (2023: 1,674,024) in the Company at 31 March 2024 and the date of signing this report.

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

Ed McDermott

Mr McDermott held 4,680,000 (2.32%) Ordinary Shares (2023: 4,680,000) in the Company at 31 March 2024 and at the date of signing this report.

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

Mr McDermott received annual remuneration of £161,063 (2023: £161,760) which included pension contributions of 1.1% of salary. There was no discretionary bonus (2023: Nil). There was no payable at the financial reporting date (2023: £13,168).

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

Lance De Jersey

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

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

Luke Cairns

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

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

Alfredo Pascual

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

Mr Pascual received annual remuneration of £71,781(2023: £63,833)with no discretionary bonus (2023: Nil). There was no payable at the financial reporting date (2023: nil).

(ii) Administrator of the Company

Obsidian Fund Services Limited ("Obsidian")was the Administrator of the Company during the year and was entitled to an administration fee of

£40,000 per annum with an additional fee of £500 per Board or Committee meeting above the eight meetings covered by the administration fee.

In the year ended 31 March 2024, a total of £43,628 (2023: £40,759) was charged to the Statement of Comprehensive Income for Obsidian, of which £4,033 was payable at the financial reporting date (2023: £3,333).

(iii) Digital Marketing

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

19. Financial Risk Management

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

Treasury policies

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

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

The financial assets and liabilities of the Company were:

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

Prepayments of £42,900 (2023: £50,000) have been excluded from financial assets.

Credit risk

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

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

The credit risk on cash and cash equivalents is limited by using banks with high credit ratings assigned by international credit-rating agencies. At the year end, an amount of cash and cash equivalents of £3,728,206was placed with HSBC Bank plc (2023£22,977).The Moody'scounterparty risk rating for HSBC Bank plc was A3 as at 31 March 2024.

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

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

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

Liquidity risk

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

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

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

The contractual undiscounted cash flows of the Company's financial liabilities, which are equal to the fair value of the Company's financial liabilities, comprise of payable within one year to the sum of £28,000 (2023: £57,000). The Company has no contractual commitment to invest further in any of its existing investments.

Market risk

(i) Price risk

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

Given the higher levels of market volatility in the current year, the Directors consider 30% (2023: 30%) best represents the margin of price risk associated with the Company risk. A 30% (2023: 30%) increase/decrease in the fair value of investments would result in a £163,875 (2023:
£242,580) increase/decrease in the net asset value.

ii) Currency risk

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

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

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

	31 March 2024 £'000	**31 March 2023** £'000
US Dollar		
Cash and cash equivalents	5	4
Financial assets at fair value through profit and loss	2,870	3,247
Euro		
Cash and cash equivalents	2,582	22
Financial assets at fair value through profit and loss	2,740	9,542
Canadian dollar		
Financial assets at fair value through profit and loss	-	-
Australian Dollar		
Financial assets at fair value through profit and loss	529	715
Net currency exposure	8,727	13,529

At 31 March 2024, if the exchange rate of the US Dollar had strengthened/weakened by 10% against the Sterling, with all other variables remaining constant, the increase/(decrease) in the profit for the year would amount to +/- £261,341 (2023: +/- £325,061).

At 31 March 2024, if the exchange rate of the Euro had strengthened/weakened by 10% against the Sterling, with all other variables remaining constant, the increase/(decrease) in the profit for the year would amount to +/- £483,873 (2023: +/- £956,365).

At 31 March 2024, if the exchange rate of the Australian Dollar had strengthened/weakened by 10% against the Sterling, with all other variables remaining constant, the increase/(decrease) in the profit for the year would amount to +/- £48,133 (2023: £71,475).

iii) Interest rate risk

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

20. Capital Management Policy and Procedures

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

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

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

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

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

21. Events after the Financial Reporting Date

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

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

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

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

- Ends -

For further information visit: www.seedinnovations.co or contact:

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Notes

Seed Innovations Ltd is an AIM quoted investment company offering exposure to disruptive, high-growth, life sciences and technology ventures typically inaccessible to everyday investors. Its strategy focuses on identifying early-stage opportunities with upcoming investment catalysts, alongside more mature investments providing near-term liquidity. With a portfolio of such investments and cash reserves, the company is agile and poised to capitalise swiftly on new investment opportunities.

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