

27 September 2024

Vela Technologies plc
("Vela" or "the Company")

Final results for the year ended 31 March 2024

Notice of AGM

The Board of Vela (AIM:VELA), an AIM-quoted investing company focused on early-stage and pre-IPO disruptive technology investments, today announces the Company's final results for the year ended 31 March 2024.

The Company's Annual General Meeting ("**AGM**") will be held at 12 noon on Tuesday 11 November 2024 at 15 Victoria Mews, Mill Field Road, Cottingley Business Park, Bingley, West Yorkshire BD16 1PY.

Vela's Annual Report and Accounts for the year ended 31 March 2024 ("**Annual Report**") and the notice of AGM will be sent to shareholders on 30 September 2024.

The Company's Annual Report and notice of AGM will be available shortly on the Company's website at <http://www.velatechplc.com/>.

chairman's statement
for the year ended 31 March 2024

I am pleased to present the Chairman's statement for the year ended 31 March 2024. In my half yearly statement for the period ended 30 September 2023 I made further reference to the continued war in Ukraine, political issues at home, rising inflation and rising interest rates. Whilst inflation appears to have stabilised and interest rates have received their first cut, these continue to be factors impacting the small-cap marketplace in the UK and on the whole investors on the public markets in London remain cautious, particularly in light of the budget at the end of October 2024. We remain cautiously optimistic regarding the long-term future of the Company's overall investment portfolio and we remain committed to the Company's stated investing strategy.

The board has carefully monitored the share prices of its investment portfolio and, where appropriate, have divested in whole or in part a number of investee companies when those share prices led to a realised profit.

During the financial year the Company invested a further £400,000 in cash into a put option agreement which gave Vela the right, but not the obligation, to sell its economic interest in the commercialisation of the Covid-19 application of AZD1656 for a total consideration of £4.0 million. The option was granted by Conduit Pharmaceuticals Limited and its prospective parent company, Murphy Canyon Acquisition Corp ("Murphy"), a company listed on NASDAQ. Conduit Pharmaceuticals completed the business combination with Murphy and the enlarged group, being Conduit Pharmaceuticals Inc. ("Conduit"), began trading on NASDAQ on 25 September 2023. In December 2023, the board exercised the option and received new shares in Conduit Inc. Despite positive news recently regarding the entering into of an exclusive licence agreement with AstraZeneca, the share price of Conduit is at an all-time low valuing the holding at only £100,000. As reported in the latest quarterly update (as at 30 June 2024) this price had fallen to 1.06 and has since sunk to 0.13 as at the date of this announcement. On 16 August 2024 Conduit announced that it had become aware that one of its directors had previously entered into certain collateral pledge agreements that resulted in the disposition of a substantial number of shares in Conduit and that it had appointed an independent committee of the Conduit board to establish the facts. Another independent committee of the Conduit board was formed to investigate and review the trading patterns of certain of Conduit shareholders and to determine if any action should be taken. It seems that the irregularities were instrumental in the collapse of the share price. The Board of Vela is very disappointed with the performance of the investment in Conduit and shares the frustrations of shareholders on such performance.

Vela made one further investment in the period under review and invested £250,000 in Tribe Technology Group plc via an advance subscription agreement as part of a pre-IPO funding round. The IPO was completed on 5 September 2023 and Vela was issued with shares at a price of 8p per share which was equivalent to 80% of the IPO issue price.

Turning to the financials, Vela reported a loss for the year of £776,537 compared to a loss of £378,516 in the previous comparable period. Almost all of this difference, from an accounting perspective, reflects a £356,904 reduction in fair value of investments in the year being reported on, compared to a much smaller reduction in fair value in the previous financial year. Net assets decreased to £6,238,388 compared to £7,004,480 at 31 March 2023 and cash fell from £723,576 at the beginning of the period to £53,597 at the balance sheet date.

The board will continue to update shareholders, in line with regulatory guidelines, via its quarterly investment updates and regulatory announcements. The directors would like to thank shareholders for their continued support.

Brent Fitzpatrick MBE
Chairman

Strategic report for the year ended 31 March 2024

Business review

At the period end, the Company held cash of approximately £54,000 (31 March 2023: £724,000). It continues to keep administrative costs to a minimum so that it has sufficient resources to cover its ongoing running costs while retaining the maximum funds for further investments.

The Company's loss for the year was approximately £777,000 (2023: loss of £378,000). This loss has arisen primarily from fair value movements on the Company's investment portfolio. The valuation of the investment portfolio at 31 March 2024 was approximately £5,487,000 (31 March 2023: £3,193,000), an increase of £2,294,000 on 2023. This resulted from the investment of £650,000 in new and 'follow-on' investments, the exercise of the put options to sell the economic interest in the commercialisation of the covid-19 application of AZD1656 and the subsequent issuance of shares in Conduit, and disposals generating net proceeds of £349,000, net of a decrease in the valuation of the portfolio of £357,000.

In addition to these investments, the financial asset held at 31 March 2023 (St George Street Capital) which was valued at £2,350,000 was converted into shares in Conduit Inc via a put option and as a result is now designated an investment on the balance sheet.

We update shareholders on investee company performance through, where appropriate and/or required, the dissemination of investee company regulatory announcements, together with, when available, information from private companies which do not have the same disclosure requirements as listed companies. Additionally, the Board has continued to publish quarterly investment updates on the performance of the investment portfolio and on acquisitions and sales. The quarterly investment updates will continue. Moreover, detailed information on the investment portfolio is maintained on the Company's website.

During the year, the Company made a £250,000 investment in Tribe Technology Group PLC and purchased a put option over the financial asset held in St George Street Capital Limited. Further details and key points of the investments made and of the performance of the Company's investee companies are detailed in note 8 to the financial statements.

The Company had two employees during the period (being two of the directors) and a Board comprising one male Executive Director, one female Executive Director and one male Non-Executive Director.

Principal risks and uncertainties

The preservation of its cash balances and the management of its capital resources remain the key concerns for the Company. Further information about the Company's principal risks, covering credit, liquidity, and capital, is detailed in note 15 to the financial statements.

The Company remains committed to keeping operational costs to a minimum.

Approved by the Board of Directors on 27 September 2024 and signed on its behalf by:

Brent Fitzpatrick MBE
Chairman

For further information, please contact:

Vela Technologies plc

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About Vela Technologies

Vela Technologies plc (AIM: VELA) is an investing company focused on early stage and pre-IPO long term disruptive technology investments. Vela's investee companies have either developed ways of utilising technology or are developing technology with a view to disrupting the businesses or sector in which they operate. Vela will also invest in already-listed companies where valuations offer additional opportunities.

statement of comprehensive income for the year ended 31 March 2024

	Year ended 31 March 2024	Year ended 31 March 2023
Notes	£'000	£'000
Revenue	1	-

Administrative expenses	2	(443)	(401)
Fair value movements			
- on investments	8	(357)	(26)
- on derivative instruments	10	-	9
Operating loss	2	(800)	(418)
Finance income	4	23	40
Loss before tax		(777)	(378)
Income tax	6	-	-
Loss for the year and total comprehensive income attributable to the equity holders		(777)	(378)
Loss per share			
Basic and diluted loss per share (pence)	7	(0.005)	(0.002)

statement of financial position
as at 31 March 2024

	Notes	31 March 2024 £'000	31 March 2023 £'000
Non-current assets			
Investments	8	5,487	3,193
Trade and other receivables	9	718	3,054
Total non-current assets		6,205	6,247
Current assets			
Derivative financial instruments	10	32	72
Cash and cash equivalents	13	54	724
Total current assets		86	796
Total assets		6,291	7,043
Equity and liabilities			
Equity			
Called up share capital	12	3,320	3,291
Share premium account		7,615	7,594
Share option reserve		6	46
Retained earnings		(4,703)	(3,926)
Total equity		6,238	7,005
Current liabilities			
Trade and other payables	11	53	38
Total current liabilities		53	38
Total equity and liabilities		6,291	7,043

These financial statements were approved by the Board, authorised for issue and signed on its behalf on 27 September 2024 by:

Brent Fitzpatrick MBE
Chairman

Company registration number: 03904195

cash flow statement
for the year ended 31 March 2024

	Notes	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Operating activities			
Loss before tax		(777)	(378)

Loss before tax		(111)	(110)
Share-based payment		-	5
Fair value movements on investments	8	357	26
Fair value movement on derivative assets		-	(9)
Finance income		(23)	(40)
Decrease in receivables		-	1
Increase in payables		15	17
Total cash flow from operating activities		(428)	(378)
Investing activities			
Interest received		14	10
Proceeds from disposal of investments		344	709
Consideration for purchase of investments		(650)	(575)
Total cash flow from investing activities		(292)	144
Financing activities			
Proceeds from the issue of ordinary share capital		50	-
Total cash flow from financing activities		50	-
Net (decrease) in cash and cash equivalents		(670)	(234)
Cash and cash equivalents at start of year		724	958
Cash and cash equivalents at the end of the year	13	54	724

Cash and cash equivalents comprise:

Cash at bank		54	724
Cash and cash equivalents at end of year	13	54	724

statement of changes in equity
for the year ended 31 March 2024

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Share Option Reserve £'000	Total Equity £'000
Balance at 1 April 2022	3,291	7,594	(3,572)	65	7,378
Transactions with owners					
Share-based payment	-	-	-	5	5
Lapse of share options in the period	-	-	24	(24)	-
Transactions with owners	-	-	24	(19)	5
Total comprehensive income for the year	-	-	(378)	-	(378)
Balance at 31 March 2023	3,291	7,594	(3,926)	46	7,005
Balance at 1 April 2023	3,291	7,594	(3,926)	46	7,005
Transactions with owners					
Issue of share capital	29	21	-	-	49
Share-based payment	-	-	-	(40)	(40)
Transactions with owners	29	21	-	(40)	9
Total comprehensive income for the year	-	-	(777)	-	(777)
Balance at 31 March 2024	3,320	7,615	(4,703)	6	6,237

notes to the financial statements

for the year ended 31 March 2024

1 Revenue and segmental information

The Company is an investing company and as such there is only one identifiable operating segment, being the purchase, holding and sale of investments. Similarly, the Company operates in only a single geographic segment, being the United Kingdom. The results and balances and cash flows of the segment are as presented in the primary statements.

2 Loss from operations

The loss from operations is stated after charging:

	31 March 2024 £'000	31 March 2023 £'000
Auditor's remuneration for the audit	24	24
Auditor's remuneration for corporation tax compliance services	2	2
Fair value movements on investments	357	26
Share-based payment	-	5

3 Staff costs

The average number of persons employed or engaged by the Company (including Directors) during the period was as follows:

	31 March 2024	31 March 2023
Directors and senior management	3	3
Total	3	3

The above included two individuals (2023 - two) employed by the Company and one (2023 - one) engaged under the terms of a letter of appointment.

The aggregate amounts charged by these persons were as follows:

	31 March 2024 £'000	31 March 2023 £'000
Wages and salaries	124	124
Social security costs	10	10
Amounts invoiced	62	69
Share-based payment charge	-	5
	196	208

The amounts noted above relate to the Company's directors. Further details of directors' remuneration are provided in note 5.

4 Finance income and expense

Finance income

	31 March 2024 £'000	31 March 2023 £'000
Other interest receivable	23	40
Total finance income	23	40

Finance income includes £9,000 (2023: £30,000), representing the unwinding of the discount on the Company's loan receivable from BIXX Tech Limited. Further details are provided in note 9.

notes to the financial statements

for the year ended 31 March 2024

5 Directors and senior management

Directors' remuneration

	Year ended 31 March 2024				
	Salary £'000	Fees £'000	Pension £'000	Equity £'000	Total £'000
Brent Fitzpatrick	-	62	-	-	62
James Normand	62	-	-	-	62
Emma Wilson	62	-	-	-	62
	124	62	-	-	186

Year ended 31 March 2023

	Salary £'000	Fees £'000	Pension £'000	Equity £'000	Total £'000
Brent Fitzpatrick	-	62	-	-	62
Antony Laiker (appointed 21 July 2022 / resigned 19 October 2022)	-	7	-	-	7
James Normand	62	-	-	-	62
Emma Wilson (appointed 1 September 2021)	62	-	-	-	62
	124	69	-	-	193

Directors' and senior management's interests in shares

The Directors who held office at 31 March 2024 held the following shares:

	31 March 2024	31 March 2023
Brent Fitzpatrick	1,500,000	1,500,000
James Normand	-	-
Emma Wilson	-	-

On 30 July 2024 Brent Fitzpatrick acquired in the market a further 30 million shares.

The total share-based payment costs in respect of options granted are:

	31 March 2024 £'000	31 March 2023 £'000
Directors	-	5

As at 31 March 2024, the total number of outstanding options held by the Directors over ordinary shares was 270,000,000 (2023: 270,000,000), representing 1.7 per cent of the Company's issued share capital.

Further details regarding the options issued are provided in note 17.

notes to the financial statements

for the year ended 31 March 2024

6 Tax

There was no charge to current or deferred taxation in the current or prior period.

A deferred tax asset relating to losses carried forward has not been recognised due to uncertainty over the existence of future taxable profits against which the losses can be used. The Company has unused tax losses of approximately £6.7m (2023: £6.7m).

Tax reconciliation

	31 March 2024 £'000	31 March 2023 £'000
Loss before tax	(777)	(378)
Tax at 25%/19% on loss before tax	(194)	(72)
Effects of:		
Loss relief carried forward but not recognised	194	72
Total tax expense	-	-

7 Loss per share

Loss per share has been calculated on a loss after tax of £777,000 (2023: loss after tax of £378,000) and the weighted average number of shares in issue for the year of 16,546,452,831 (2023: 16,252,335,184).

8 Investments

	31 March 2024 £'000	31 March 2023 £'000
Opening fair value	3,193	2,603
Additions during the year at cost	650	1,325
Re-classification on listing of financial asset	2,350	-
Fair value of disposals made during the year	(349)	(709)
Movement in fair value charged to profit or loss	(357)	(26)
Closing balance	5,487	3,193

Investments are held at fair value through profit and loss using a three level hierarchy for estimating fair value. Note 15

investments are held at fair value through profit and loss using a three-level hierarchy for estimating fair value. Note 13 provides details of the three-level hierarchy used.

Additions during the year:

Investment in Tribe Technology Group Limited ("Tribe Tech")

In May 2023, Vela invested £250,000 in Tribe Tech via an advance subscription agreement as part of a pre-IPO funding round. The IPO completed on 5 September 2023 and Vela was issued with shares at a price of 8p per share which was equivalent to 80% of the IPO issue price. Following the investment, Vela is interested in 3,125,000 ordinary shares representing 1.29 per cent of Tribe Tech's current issued share capital.

Exercise of put option in Conduit Pharmaceuticals Limited ("Conduit")

On 1 December 2023, Vela exercised the put option to sell its economic interest for share in Conduit. Under the terms of the agreement, Vela received 1,015,760 new shares of authorised common stock of par value 0.001. As a result, the asset has been revalued to £4.0 million at the balance sheet date and is now held as an investment on the balance sheet and, in line with other listed investments, will in the future be valued using market prices. Further details are disclosed in note 9.

notes to the financial statements

for the year ended 31 March 2024

8 Investments (continued)

Disposals during the year:

Part Disposal in EnSilica Plc ("EnSilica")

During the year the Company disposed of a total of 333,000 shares at an average price of 63p per share, generating gross proceeds of £209,780 for the Company. Following the disposals, Vela remained interested in 776,707 ordinary shares after these disposals.

Full disposal in Kanabo Group Plc ("Kanabo")

During the year the Company disposed of a total of 1,157,692 shares at a price of 2.4p per share, generating gross proceeds of £28,224 for the Company.

Part disposal in Northcoders Group plc ("Northcoders")

In May 2023 the Company disposed of a total of 2,500 shares at a price of £3.00 per share, generating gross proceeds of £7,189 for the Company. Following the disposals, Vela remained interested in 347,499 ordinary shares.

Part disposal of investment in Finseta PLC (formerly Cornerstone FS plc ("Finseta"))

During the year the Company disposed of a total 195,902 shares in Finseta at a price of 28.7p per share, generating gross proceeds of £56,285. Following the disposal, Vela remained interested in 400,000 shares.

Part disposal of investment in Conduit Pharmaceuticals Inc ("Conduit")

During the year the Company disposed of a total 10,000 shares in Conduit at a price of 249p per share, generating gross proceeds of £24,909. Following the disposal, Vela remained interested in 1,005,760 shares.

Part disposal of investment in MTI Wireless Edge Ltd ("MTI")

During the year the Company disposed of a total 50,000 shares in MTI at a price of 44.8p per share, generating gross proceeds of £22,388. Following the disposal, Vela remained interested in 200,000 shares.

9 Trade and other receivables - non-current

	31 March	
	2024	2023
	£'000	£'000
Loan due from BIXX Tech Limited	718	704
Other financial asset	-	2,350
	718	3,054

Loan due from BIXX Tech Limited

The loan represents the consideration receivable for the disposal of certain investment assets in August 2020, as detailed in previous financial statements. The total consideration receivable is £855,000, which is receivable after seven years. The consideration has been discounted at a market interest rate at the time of the transaction of 4.5% to reflect the deferred payment term. Income of £9,000 (2023: £30,000), represents the unwinding of the discount and is recognised within finance income in note 4.

Under the terms of the loan agreement, the Company has provided an undertaking to distribute a sum equal to any repayment of the loan to the holders of the Special Deferred Shares (see note 12). This distribution will be by way of a dividend declared on the Special Deferred Shares ("the Special Dividend"). In the event that insufficient distributable reserves exist at the end of the seven-year loan term, the repayment of the loan will be deferred for a further year. This deferral will continue until such a time as the Company has sufficient distributable reserves to be able to pay the Special Dividend.

Other financial asset - Investment in St George Street Capital

On 20 October 2020, the Company entered into a contract with St George Street Capital ("SGSC") for an 8% economic interest in the potential future commercialisation of SGSC's asset to treat individuals with diabetes who are suffering with COVID-19 ("the Asset"). The consideration payable under the terms of the contract was £2.35m which was settled by cash of £1.25m and the issue of 1,100,000,000 locked-in consideration shares at a price of 0.1 pence per share. The directors considered that this represented the fair value of the contract at the date of investment. The contract gave the Company a right to future economic benefits and was classified as a financial asset measured at fair value through profit and loss. The contract did not include a defined exit date and so was classified as non-current at previous reporting dates, as the Company did not have an unconditional right to require settlement of the contract within 12 months.

**notes to the financial statements
for the year ended 31 March 2024**

Other financial asset - Investment in St George Street Capital (continued)

In April 2023, the Company announced that it had entered into a put option agreement to give the Company the right, but not the obligation, to sell its economic interest in the commercialisation of the Covid-19 application of AZD1656 for shares in Conduit Pharmaceuticals Limited ("Conduit"). The Option was granted by Conduit and its prospective parent company, Murphy Canyon Acquisition Corp, a Company listed on NASDAQ.

On 1 December 2023, Vela exercised the put option to sell its economic interest in return for shares in Conduit. Under the terms of the option agreement Vela received 1,015,760 new shares of authorised common stock of par value 0.001. In accordance with Vela's accounting policy, these shares have been revalued using the market price at the balance sheet date and is now included at this value (£2.9 million) with other listed investments.

10 Derivative financial instruments

	31 March	
	31 March 2024	2023
	£'000	£'000
Warrants	32	72
	32	72

The Company holds warrants providing it with the right to acquire additional shares in certain of its investee companies at a fixed price in the future, should the directors decide to exercise them. The warrants have been recognised as an asset at fair value, which has been calculated using an appropriate option pricing model.

11 Trade and other payables

	31 March 2024 £'000	2023 £'000
Trade payables	31	3
Accruals	22	35
	53	38

12 Share capital

	31 March 2024 £'000	2023 £'000
Allotted, called up and fully paid capital		
16,546,452,831 (2023 - 16,252,335,184) Ordinary Shares of 0.01 pence each	1,654	1,625
1,748,943,717 Deferred Shares of 0.08 pence each	1,399	1,399
2,665,610,370 Special Deferred Shares of 0.01 pence each	267	267
	3,320	3,291

notes to the financial statements for the year ended 31 March 2024

Share issue

During the year the Company issued 294,117,647 ordinary shares of 1p each in settlement of corporate advisory fees from Peterhouse Capital Limited totalling £50,000.

Share rights

The Deferred and Special Deferred Shares are not listed on AIM and do not carry any rights to receive notice of or attend or speak or vote at any general meeting or class meeting. There are also no dividend rights, other than the "Special Dividend" on the Special Deferred Shares. As described in note 9, upon repayment to the Company of any amount(s) owed to it pursuant to the loan agreement between the Company and BIXX Tech Limited, the Company shall, in priority to any payment of dividend to the holders of the ordinary shares or any other class of shares, declare and pay to the holders of the Special Deferred shares a Special Dividend of an aggregate amount equal to the amount of such sum repaid, pro rata according to the number of Special Deferred Shares paid up.

On a return of capital, the holders of the Special Deferred Shares shall be entitled to receive only the amount paid up on such shares up to a maximum of 0.01 pence per Special Deferred Share after (i) the holders of the Ordinary Shares have received the sum of £1,000,000 for each Ordinary Share held by them, and (ii) the holders of the Deferred Shares have received the sum equal to the amount paid up on such Deferred Shares.

13 Cash and cash equivalents

Cash and cash equivalents comprise the following:

	31 March 2024 £'000	31 March 2023 £'000
Cash and cash in bank:		
Pounds sterling	54	724
Cash and cash equivalents at end of year	54	724

14 Financial instruments

The Company uses various financial instruments which include cash and cash equivalents, loans and borrowings and various items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations and manage its working capital requirements.

The fair values of all financial instruments are considered equal to their book values. The existence of these financial instruments exposes the Company to a number of financial risks which are described in more detail below.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Directors review and agree the policies for managing each of these risks and they are summarised below. The Company does not have any borrowings on which interest is charged at a variable rate. The Directors, therefore, do not consider the Company to be exposed to material interest rate risk.

Credit risk

This section, along with the liquidity risk and capital risk management sections below, also forms part of the Strategic Report.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

	31 March	
	2024	2023
	£'000	£'000
Classes of financial assets - carrying amounts		
Financial assets measured at fair value through profit or loss	5,519	5,615
Financial assets measured at amortised cost	718	704
	6,237	6,319

The Company's management considers that all of the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality.

notes to the financial statements for the year ended 31 March 2024

14 Financial instruments (continued)

The Company is required to report the category of fair value measurements used in determining the value of its financial assets measured at fair value through profit or loss, to be disclosed by the source of its inputs, using a three-level hierarchy. There have been no transfers between Levels in the fair value hierarchy.

Quoted market prices in active markets - "Level 1"

Inputs to Level 1 fair values are quoted prices in active markets for identical assets. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company has twelve (2023: eleven) investments classified in this category all of which are listed on a regulated exchange with publicly available market prices used to determine the year end value.

The aggregate historic cost of the twelve investments is £5,831,316 (2023: £3,145,110) and their fair value as at 31 March 2024 was £4,658,581 (2023: £2,364,534).

Valued using models with significant observable market parameters - "Level 2"

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The Company has two (2023: two) unquoted investments classified in this category. The historic cost of these investments is £450,000 (2023: £450,000) and the fair value as at 31 March 2024 was £828,186 (2023: £828,186). These investments were valued using the latest transaction prices for shares in the investee companies which were obtained through either (a) publicly available information (e.g. registrar), (b) information in respect of recent transactions which the Company was invited to participate or, where available, (c) direct liaison with the investee company. The Company also holds warrants for shares in two investee companies, which have been valued using an option pricing model with observable inputs. The fair value of these assets as at 31 March 2024 was £32,273 (2023: £71,827).

Valued using models with significant unobservable market parameters - "Level 3"

Inputs to Level 3 fair values are unobservable inputs for the asset. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date (or market information for the inputs to any valuation models). As such, unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset. The Company has two (2023: two) unquoted investments classified in this category. The historic cost of these investments is £300,000 (2023: £300,000) and the fair value as at 31 March 2024 was £nil (2023: £nil). The nature of some of the investments that the Company holds, i.e. minority shareholdings in private companies with limited publicly available information, means that significant judgement is required in estimating the value to be applied in the year end accounts. Management uses knowledge of the sector and any specific company information available to determine a valuation estimate.

Liquidity risk

The Company maintains sufficient cash to meet its liquidity requirements. Management monitors rolling forecasts of the Company's liquidity on the basis of expected cash flow in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these.

Maturity analysis for financial liabilities

31 March 2024		31 March 2023	
Within	Later than	Within	Later than

	1 year £'000	1 year £'000	1 year £'000	1 year £'000
At amortised cost	53	-	38	-

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. This is achieved by making investments commensurate with the level of risk. The Company is performing in line with the expectations of the Directors.

The Company monitors capital on the basis of the carrying amount of equity. The Company policy is to set the amount of capital in proportion to its overall financing structure, i.e. equity and long-term loans. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or loan notes, or sell assets to reduce debt.

notes to the financial statements for the year ended 31 March 2024

15 Reconciliation of net funds

	As at 1 April 2023	Cash flow		As at 31 March 2024
	£'000	£'000	Non-cash movement £'000	£'000
Cash and cash equivalents	724	(670)	-	54
	724	(670)	-	54

16 Share-based payments

On 26 August 2020 two of the Directors were granted equity settled share-based payments. The principal terms of these grants are as follows:

James Normand was granted 180,000,000 options to subscribe for ordinary shares of 0.01p each in the Company. The options have an exercise price of 0.024p and are exercisable for a period of ten years from the date of the grant. Half the options became exercisable 12 months after grant, subject to the Company's closing mid-market share price being at least 0.048p per Ordinary Share for 30 consecutive business days, and the remaining half become exercisable 24 months after grant, subject to the Company's closing mid-market share price being at least 0.072p per Ordinary Share for 30 consecutive business days.

In addition, on the same date, Brent Fitzpatrick, Non-Executive Chairman of the Company, was granted 90,000,000 options to subscribe for Ordinary Shares in the Company. The options have an exercise price of 0.024p and are exercisable for a period of ten years from the date of the grant. Half the options became exercisable 12 months after grant, subject to the Company's closing mid-market share price being at least 0.048p per Ordinary Share for 30 consecutive business days, and the remaining half become exercisable 24 months after grant, subject to the Company's closing mid-market share price being at least 0.072p per Ordinary Share for 30 consecutive business days. Following this grant of options, Brent Fitzpatrick held a total of 104,562,427 share options equivalent to 1.46 per cent. of the issued share capital of the Company at the time.

None of the options granted have been exercised.

The options issued in August 2020 have been valued using the Monte Carlo option pricing model. The amount of remuneration expense in respect of the share options granted amounts to £nil (2023: £5,000).

Details of the options outstanding at the year end and the inputs to the option pricing model are as follows:

	Options granted 26 August 2020
Share price at grant date (pence)	0.05
Exercise price (pence)	0.024
Expected life (years)	10
Annualised volatility (%)	86.9

Annualised volatility (%)	00.0
Risk-free interest rate (%)	2.0
Fair value determined (pence)	0.03
Number of options granted	270,000,000
Options exercisable at 31 March 2024	270,000,000

The expected future annualised volatility was calculated using historic volatility data for the Company's share price.

17 Contingent liabilities

Under the terms of the Company's loan receivable from BIXX Tech Limited, described in note 9, the Company has provided an undertaking to distribute a sum equal to any repayment of the loan to the holders of the Special Deferred Shares (see note 12). This distribution will be by way of a dividend declared on the Special Deferred Shares ("the Special Dividend"). In the event that insufficient distributable reserves exist at the end of the seven-year loan term, the repayment of the loan will be deferred for a further year. This deferral will continue until such a time as the Company has sufficient distributable reserves to be able to pay the Special Dividend. As at 31 March 2024, the carrying value of the loan receivable was £718,000 (2023: £704,000) and, at the scheduled maturity date, the final settlement value will be £855,000.

18 Related party transactions

During the period the Company entered into the following related party transactions. All transactions were made on an arm's length basis.

Ocean Park Developments Limited

Brent Fitzpatrick, Non-Executive Director, is also a Director of Ocean Park Developments Limited. During the year, the Company paid £62,000 (2023: £62,000) in respect of his Director's fees to the Company. The balance due to Ocean Park Developments Limited at the year-end was £nil (2023: £nil).

19 Events after the balance sheet date

Issue of share capital

In July 2024 the Company announced that Brent Fitzpatrick, Non-Executive Chairman, bought 30,000,000 ordinary shares of 0.01 pence each in the Company at 0.0085p per Share. Following the above purchase, Mr Fitzpatrick now has a total beneficial interest in 31,500,000 Ordinary Shares, equivalent to approximately 0.17 per cent. of the Company's issued share capital.

Investment in Hamak Gold Limited and issuance of Share Capital

In July 2024 the Company announced that it had entered into an unsecured convertible loan note instrument with Hamak Gold Limited ("Hamak"), the Liberia-based gold exploration and development company.

As part of the Agreement, Vela issued 2,424,242,424 new ordinary shares of 0.01 pence each to Hamak at a deemed issue price of 0.012375 pence per share in consideration of the issue to Vela by Hamak of £300,000 of unsecured convertible loan notes of £1. The deemed issue price represented a premium of 7.61 per cent. to Vela's closing mid-market price of 0.0115p on 16 July 2024.

The investment in the Loan Notes has been made by Vela in line with the opportunistic investments category of the Company's stated investing policy. The investment does not meet the core criteria of the Company's investment policy, which is focused on the disruptive technology sector, but, in accordance with the constraints of this investment category, it comprises less than 5% of the Company's net asset value and is intended to be held for the short term only.

Part disposal of shares in EnSilica plc

After the year end the Company disposed of an aggregate of 160,000 shares at an average price of 59p per share, generating gross proceeds of £94,029 for the Company. Following the disposals Vela remained interested in 616,707 ordinary shares.

Part disposal of shares in Skillcast Group plc

After the year end the Company disposed of a total of 50,000 shares at a price of 37p per share, generating gross proceeds of £18,485 for the Company. Following the disposals Vela remained interested in 625,676 ordinary shares.

Disposal of holding in MTI Wireless Edge Ltd

After the year end the Company disposed of its entire holding of 200,000 shares at a price of 46p per share, generating gross proceeds of £92,000 for the Company.

Update on Conduit Pharmaceuticals Inc

Vela holds 1,005,760 common shares in Conduit representing 0.46% of Conduit's issued share capital. As described in the

Chairman's statement the market value has collapsed since the year end. At the closing mid-market price of 0.13 per share on 19 September 2024, Vela's holding in Conduit is valued at approximately £100,000 which compared to the carrying value in these accounts of approximately £2,924,000 at which this investment is held in these financial statements.

Extraction of information in this announcement

The financial information, which comprises the statement of comprehensive income, balance sheet, cashflow statement, statement of changes in equity, and related notes to the financial statements, is derived from the full Company financial statements for the year ended 31 March 2024, which have been prepared under UK endorsed International Financial Report Standards (IFRS) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. It does not constitute full financial statements within the meaning of section 434 of the Companies Act 2006. This financial information has been agreed with the auditor for release.

The full annual report and financial statements for the year ended 31 March 2024, on which the auditor has given an unqualified report, and which does not contain a statement under section 498 of the Companies Act 2006, will be delivered to the Registrar of Companies in due course.

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