Primorus Investments plc

Financial statements

For the year ended 31 December 2022

Registered number: 03740688

Company Information

Directors	Matthew Paul Beardmore Hedley Stuart Clark Rupert Labrum
Company secretary	Simon William Holden
Registered number	03740688
Registered office	48 Chancery Lane C/O Keystone Law (Attn: S Holden) London WC2A 1JF
Independent auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Bankers	Barclays Bank plc One Churchill Place London E14 5HP
Solicitors	Keystone Law Limited 48 Chancery Lane London WC2A 1JF
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR
Nominated Adviser & Broker	Cairn Financial Advisers LLP 9th Floor 107 Cheapside London EC2V 6DN

Contents

Chairman's Report incorporating the Strategic Report

For the year ended 31 December 2022

Overview

I am pleased to present the Chairman's Statement and Strategic Report for the financial results of Primorus Investments plc ("Primorus" or the "Company") for the year ended 31 December 2022.

Introduction

The period under review was one again of significant change. The COVID-19 pandemic was overtaken by the events of the Russian invasion of Ukraine. Global interest rates have risen as central banks attempt to stem the rise of inflation. This has made for an uncertain macro-economic environment as companies, especially small caps, have struggled where cheap liquidity is no longer available. Primorus has remained in a favourable position where it has not needed to raise new funds.

It has again been pleasing to see the progress made by several of our investee companies which have taken the opportunity to grow significantly. Some of the investee companies have continued to struggle in this economic environment and will need to raise capital – we took the view that some of these legacy investments will not be core to Primorus in the future. We have and will continue to look for opportunities to divest our holdings in them. Any non-material divestments will be updated on the website.

Concurrent with reviewing the Company's existing investments, the management team was also presented with many new proposals and opportunities during the period. The management team carefully reviewed each opportunity in accordance with the strategy highlighted last year and decided to invest in one new company this year, Interpac Limited, with further details set out below.

The Directors continue to align themselves with shareholders as demonstrated by numerous share purchases by Directors on the market culminating in a current combined Director holding of over 25% of shares in issue.

Investment highlights

• The Company made a new investment of £250,000 into Interpac Ltd ("Interpac"). Interpac was founded in 2013 to create a new corrugation process for the manufacture of cardboard which is more cost-efficient and environmentally friendly than current manufacturing processes.

• In February 2022, the Company divested its convertible loan notes ("CLNs") issued by Mustang Energy PLC ("Mustang"), a special purpose acquisition company listed on the Standard list of the London Stock Exchange's main market "Standard List"). Due to Mustang not being in a position to complete its reverse takeover and readmission by the applicable maturity date, Primorus exercised its right to enact the backstop arrangement. Under this provision Primorus converted its CLN into a new CLN with Bushveld Minerals PLC ("BMN").

In 2022, two tranches of the CLN were exercised and the resulting holding of BMN shares were sold into the market. The remainder of the CLN will either be converted or the balance plus interest of 10% repaid in July 2023.

• The Company's investment into Alteration Earth PLC ("ALTE") commenced trading on the Standard List on 1st July 2022. ALTE is still seeking a reverse acquisition target. We look forward to ALTE fulfilling its strategy and delivering a value enhancing outcome for its shareholders.

• Fresho Pty Ltd ("Fresho") had another successful year and continued to progress throughout 2022. Engagement continues to increase year on year and this resulted in an annualized gross merchandise volume of +60% to $1.9bn. Orders increased 50% to 370,000 per month with 45% more venues. This resulted in revenue increasing by 60%. With continued planned investment further significant growth is forecasted.

• The Payapps group ("Payapps") has continued to perform well during 2022 with both sales and revenue growth increasing over the comparative period for 2021. This growth reflects the investments made in the business in 2021 and has been supported by largely positive macroeconomic conditions in Australia and the UK post COVID lockdowns in 2021. Sales results have been very strong within all regions achieving a record sales year.

Chairman's Report incorporating the Strategic Report (continued)

For the year ended 31 December 2022

• Engage Technology Partners Limited ("Engage"), the end-to end workforce management platform provider looked to move their focus towards Managed Service Providers. This will allow Engage to scale up and to expand internationally. As Engage moved away from Outsourced Payroll they have managed to exceed their pre Covid revenues and allow future revenues to now come purely from SaaS products.

• SOA Energy ("SOA") SOA is working on acquiring new offshore assets and creating a new partnership with a European oil major company after which SOA intends to seek a listing on the London Stock Exchange in Q4 2023.

• Clean Power Hydrogen ("CPH2") encountered a number of issues. Supply chain problems meant commissioning and delivery of its first MF220 units experienced delays and therefore impacted planned commissioning schedules. A further issue was identified in the design and operation of the cryostat unit. The appointment of a CTO and the manufacturing agreement with Fabrum Solutions Ltd will hopefully lead to a swift resolution and accelerate the delivery of the technology to an ever-growing market.

Primorus holds several legacy investments which do not form part of its long-term strategy and which the Board considers a distraction to the Company's current and strategic future goals. Consequently, the Company intends to dispose of these investments when there is a suitable liquidity event, or a fair value offer is available.

The legacy investments include Sport80, WeShop, Stream TV and MEVIE. These investments are now classified on the website under non-core investments. In 2022 we have sold the majority of our holding in Supernatural Foods and Nomad Energy is in the process of liquidation. Since the year-end, we have disposed of our entire holdings in Truspine and Rogue Baron.

Primorus will continue to actively manage its investments and liquidity which may involve holding certain market tradeable investments. Where active management involves non-material transactions, it will not be reported via an RNS, but instead, the Company's website shall be updated periodically to reflect any changes to the investments held by the Company. These changes may include the purchase of additional shares or the disposal in part or in whole of any individual investment.

Financial highlights

The operating loss for the year was £1.513 million (2021: loss of £0.041 million). The net loss after tax was £1.484 million (2021: profit of £0.109 million). Total assets including cash at 31 December 2022 amounted to £7.656 million (2021: £8.990 million).

The cash balance was £0.114 million as at 31 December 2022 (2021: £0.941 million)

Investee companies

The majority of the Company's investments in underlying investee companies are minority investments. Whilst we may offer advice to management of the investee companies, specifically pertaining to their business objectives and goals, they can and sometimes do ignore such advice. Similarly, those investee companies which are privately held do not have similar disclosure obligations to publicly quoted companies and therefore any updates they provide in relation to their businesses can be piecemeal and, in certain cases, non-existent save where the Board specifically requests an update. Primorus has no operational capacity insofar as it pertains to any of its investee companies, and whilst the Board will look to structure investments in a format where Primorus can have a high degree of oversight, this was not done with the Company's historic investments and, as such, there are inherent risks in that investee companies are not as accountable to the Company as the Board would prefer them to be. The Board intends, wherever possible, to seek more oversight in any significant new investments which the Company makes into private companies or unquoted public companies. It is unlikely the Company will make investments into either such companies unless there is a clear route to a relatively near-term liquidity event such as a trade sale or an IPO.

Chairman's Report incorporating the Strategic Report (continued)

For the year ended 31 December 2022

In relation to its investment in Alteration Earth PLC, the Company has a nominated director on the board to ensure there is oversight on behalf of Primorus. This is a significant step for the Company because it is the first investment where the Company will get an insight into the operation of the investee company and be able to actively voice its opinions, concerns and constructive advice instead of being informed of decisions after the event. Hedley Clark has also been appointed as a Non-Executive director on the board of Interpac.

Summary and Outlook

The year under review saw the Company start to gain some meaningful traction. Although there have been several headwinds for Primorus and the markets in general, the Board feels the Company is in a strong position to take advantage of opportunities as they present themselves. The drive to net zero carbon is clearly necessary for the benefit of the wider community and the Board feels that it can position Primorus in this investment space for the benefit of the Company and its shareholders.

The Company did not need to raise any capital in 2022 and the Board sees no immediate need to do so due to the Company's holdings of liquid instruments and cash. The Board is not ruling out the possibility of raising capital if the right opportunity presents itself, but at the time of writing the Company is not considering any potential investments which would necessitate a capital raising to be undertaken.

The management team of the Company was awarded share options to incentivise the future growth of the Company. These options have since been cancelled, at the unanimous decision of the management team members, to better align the interests of the management team with the interests of the Company's shareholders. I anticipate that all shareholders would prefer that the management team be awarded a non-dilutive means of remuneration if their performance merits such award. This also aligns with our decision last year to complete a capital reduction, which provided a further means of potentially rewarding shareholders, either by means of a share buyback or the payment of dividends.

The Board will continue to look at innovative ways to enhance the Company's value which may involve looking at various alternative company structures.

It is also important to enhance clarity of those investments which the Company holds. In the past, it has been hard to get an accurate valuation of some of our investments but as we move towards investments with greater liquidity this should enable the Company to be valued at a more realistic value to its net asset value ("NAV"). Whilst it is usual for investment companies to trade at a discount to their NAV, the Board believes the Company to be significantly undervalued given its current share price and resultant market capitalisation. The Company's positioning into holding more liquid investments should hopefully ensure it trades closer to its NAV.

We remain highly focused on costs, especially in these inflationary times and will always focus on efficiency whilst working to achieve shareholder value.

The Board would like to thank all shareholders for their continued support and understanding in this period of unsettling and exceptional circumstances and wish them well during this time.

2023

The Board remains committed to its strategic criteria for each new investment and has reiterated the core requirements below:

- It must enable Primorus the opportunity to acquire a meaningful stake in the investee company.
- A clear and realistic exit route must be in place.
- There should be an opportunity for the Board to play an active role in the investee company's development.
- The Board and the investee company's management team must share a common vision and strategic alignment.
- The investment committed by the Company will be proportionate to the risk/reward opportunity.
- There should be a greater opportunity for the Company's shareholders to benefit directly from the increase in capital values from each investment.

Chairman's Report incorporating the Strategic Report (continued)
For the year ended 31 December 2022

Our operational targets for the remainder of 2023, in line with our investing policy, are:

• To continue to focus on applying financial resources diligently, with controlled corporate costs and focused investment.
• To continue to build working capital, preferably through organic means, by exiting investments which have generated significant returns on investment.
• To continue to build our external network and to develop our managerial team to provide confidence in the market of our abilities to achieve our strategic business objective of identifying significant value-enhancing investment opportunities.
• To proactively continue the work the Board has already started to achieve with the crystallisation of value from certain investment opportunities which it has identified.
• To continue to review new opportunities and where financially and operationally practical to make investments in such opportunities which present the most upside to the Company.
• To retain sufficient capital resources through cash or liquid investments to enable the Company to have access to immediate capital for the purposes of deploying into larger positions that are the most strategically aligned opportunities.
• To divest the non-core investments when suitable liquidity events arise, or fair value can be achieved by alternative means.

Statement in accordance with section 172 of the Companies Act 2006

As required by section 172 of the Companies Act 2006, a director of a company must act in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the director must have regard, amongst other matters, to the:

• likely consequences of any decision in the long term;
• interests of the Company’s employees;
• need to foster the Company’s business relationships with suppliers, customers and others;
• impact of the Company’s operations on the community as well as the environment;
• company’s reputation for high standards of business conduct; and
• need to act fairly as between members of the Company.

As a Board our aim is always to uphold the highest standards of governance and business conduct, taking decisions in the interests of the long-term sustainable success of the Company, generating value for our shareholders and contributing to wider society. We recognise that our business can only grow and prosper over the long term by understanding the views and needs of our stakeholders. Engaging with stakeholders is key to ensuring the Board has informed discussions and factors stakeholder interests into decision-making.

The Board of Directors is collectively responsible for formulating the Company's strategy, which is to invest in businesses where prospects appear to be exceptional at an attractive price and deliver good risk-adjusted investment returns to the shareholders. The Board places equal importance on all shareholders and strives for transparent and effective external communications, within the regulatory confines of a listed company. The primary communication method for regulatory matters and matters for material substance is through the Regulatory News Services (RNS).

As always, I am available for any shareholder to contact me directly about any concerns or suggestions they may have.

Details of the Board’s decisions for the year ending 31 December 2022 to promote long-term success, and how it engaged with stakeholders and considered their interests when making those decisions, can be found throughout the Chairman’s Statement, Directors’ Report and Corporate Governance Statements.

Rupert Labrum

Date 15 June 2023

Directors' Report
For the year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

Primorus Investments plc is an investing company with a focus to establish and/or acquire a diverse portfolio of direct and indirect interests in companies and/or projects at any stage of their development or operational lifecycle. With a particular focus on the natural resources, energy, clean technology, financial technology, business technology, infrastructure, property, consultancy, brand licensing and leisure sectors. However, the Company will consider opportunities in all sectors as they arise if the Board considers there is an opportunity to generate potential value for Shareholders. The Company will consider possible opportunities anywhere in the world.

Results and dividends

The loss for the year, after taxation, amounted to £1,484,000 (2021 - profit £109,000). The Directors do not recommend payment of a dividend (2021: £nil).

Business review

A review of the business for the year, and future developments are set out in the Chairman's Statement incorporating the Strategic Report on pages 3 to 6.

Post year end events

Details of significant events occurring since the year end are set out in note 18.

Directors' remuneration and interests

The company remunerates the Directors at a level commensurate with the size of the company and the experience of its Directors. The Remuneration Committee has reviewed the Directors' remuneration and believes it upholds the objectives of the company with regard to this issue. Details of the Directors' emoluments and payments made for professional services rendered are set out in Note 6 of the Financial Statements.

All the Directors below served throughout the period unless otherwise stated:

Rupert Labrum	Executive Chairman
Matthew Beardmore	Chief Executive Officer
Hedley Clark	Non-executive Director

Directors' Report (continued)

For the year ended 31 December 2022

Substantial shareholding

At 9th June 2023, the Company was aware of the following substantial shareholdings in the ordinary share capital, over 3%:

Shareholder	Number of ordinary shares	Percentage holding
HSDL Nominees Limited	44,426,365	31.77%
Interactive Investor Services Nominees Limited	27,783,933	19.87%
Hargreaves Lansdown (Nominees) Limited	18,765,885	13.42%
Rock Nominees	10,253,135	7.33%
John Alexander Melvin Hemming**	5,592,809	4.00%
Lawshare Nominees	4,954,815	3.54%
JIM Nominees Limited	4,743,533	3.39%
Barclays Direct Investing Nominees	4,542,018	3.25%
Stephen Ball**	4,210,822	3.01%

** These shareholdings are also included within the nominee accounts stated holdings.

The serving directors hold a beneficial interest in the ordinary share capital of the Company as follows:

	Number of ordinary shares	Percentage holding
Rupert Labrum*	33,650,000	24.06%
Hedley Clark*	3,081,550	2.20%
Matthew Beardmore	100,000	0.07%

*including connected party holdings.

Suppliers' payment policy

It is the Company's policy to agree appropriate terms and conditions for its transactions with suppliers ranging from standard terms and conditions to individually negotiated contracts and to pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The Company does not have a standard code dealing specifically with the payment of suppliers.

Trade payables at the year end all relate to sundry administrative overheads and disclosure of the number of days purchases represented by year end payables is therefore not meaningful.

Charitable contributions

During the year the Company made charitable donations amounting to £Nil (2021: £Nil).

Directors' indemnities

The Company has put in place qualifying third party indemnity provisions for all the Directors of the Company which was in force at the date of approval of this report.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are detailed within the Governance report.

Directors' Report (continued)

For the year ended 31 December 2022

Internal control

A key objective of the Directors is to safeguard the value of the business and assets of the Company. This requires the development of relevant policies and appropriate internal controls to ensure proper management of the Company's resources and the identification and mitigation of risks which might serve to undermine them. The Directors are responsible for the Company's system of internal control and for reviewing its effectiveness. It should, however, be recognised that such a system can provide only reasonable not absolute assurance against material misstatement or loss.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards (UKIAS).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UKIAS , subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

Directors' Report (continued)

For the year ended 31 December 2022

Annual general meeting

Notice of the forthcoming AGM will be enclosed separately.

This report was approved by the board on 15 June 2023 and signed on its behalf

Hedley Clark
Director

Governance report

For the year ended 31 December 2022

The Board of Primorus Investments plc are committed to the principles of good corporate governance and believe in the importance and value of robust corporate governance and in our accountability to our shareholders and stakeholders.

The AIM Rules for companies (as updated on 1 January 2021) required AIM companies to apply a recognised corporate governance code from 28 September 2018. Primorus has chosen to adhere to the Quoted Company Alliance's Corporate Governance Code for Small and Mid-Size Quoted Companies (the "QCA Code") and listed below are the 10 broad principles of the QCA Code and the Company's disclosure with respect to each point.

<u>The Principles of the QCA Code</u>

1. *Principle One*

Business Model and Strategy

The Board has concluded that the highest medium and long term value can be delivered to its shareholders by the adoption of an investing strategy for the Company. Primorus Investments is an investing company with a focus on establishing and/or acquiring a diverse portfolio of direct and indirect interests in companies and/or projects at any stage of their development or operational lifecycle with a particular focus on the natural resources, energy, clean technology, financial technology, business technology, infrastructure, property, consultancy, brand licensing and leisure sectors. The Company will consider opportunities in all sectors as they arise if the Board considers there is an opportunity to generate potential value for shareholders. The Company will consider possible opportunities anywhere in the world.

2. *Principle Two*

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Shareholders and analysts can discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Shareholders also have access to current information on the Company though its website, www.primorusinvestments.com, and via Rupert Labrum, Executive Chairman, who is available to answer investor relations enquiries.

3. *Principle Three*

Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Company is reliant upon the efforts of its management team, its investee companies and stakeholders. The Board is therefore charged with the responsibility to ensure that there is as close as practicable oversight and contact with its key investee companies and shareholder relationships. Furthermore the Board considers the wider impacts of any investee company in terms of their social and environmental impacts.

4. *Principle Four*

Risk Management

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks and controls to mitigate them, have been identified:

Governance report (continued)

For the year ended 31 December 2022

Activity	Risk	Impact	Control(s)
Financial	Liquidity, market and credit risk	Inability to continue as a going concern	Robust capital management policies and procedures
	Inappropriate controls and accounting policies	Reduction in asset values	The board agrees and signs off all annual reports which detail accounting policies
		Incorrect reporting of assets	Due to size of the company - the board discusses and agrees all payments over £25,000
Regulatory adherence	Breach of rules	Censure	Strong compliance regime instilled at all levels of the Company
Strategic	Damage to reputation	Inability to secure new capital of investments	Effective communications with shareholders coupled with consistent messaging to potential investees
	Inadequate disaster recovery procedures	Loss of key operational and financial data	Off-site storage of data
Management	Recruitment and retention of key people	Reduction in operating capability	Stimulating and safe working environment Balancing salary with longer term incentive plans

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the Executive Chairman, Rupert Labrum. However, the Board will continue to monitor the need for an internal audit function. The executive directors work closely with and has regular ongoing dialogue with the non-executive director who has responsibility for the financial reporting and controls and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

5. Principle Five

A Well Functioning Board of Directors

As at the date hereof the Board is comprised of: Rupert Labrum (Executive Chairman), Matthew Beardmore (Chief Executive Officer) and Hedley Clark (Non-Executive Director). Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than 3 years. The Executive Chairman and the Chief Executive Officer are considered to be full time employees whilst the Non-Executive Director is considered to be part time but is expected to provide as much time to the Company as is required. The Board elects a Chairman to chair every meeting.

The Board meets formally at least four times per annum but regular contact is maintained so that all directors are informed of relevant developments and are able to have discussions whenever required. It has established an Audit Committee and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. The Board considers that this is appropriate given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward.

Governance report (continued)

For the year ended 31 December 2022

Hedley Clark is considered by the Board to be an Independent Director. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. As it has only one independent non-executive director, the Board does not currently fully comply with this requirement and will consider making further appointments as the scale and complexity of the Company grows, which is expected to be when the Company achieves a market capitalisation of over £10 million.

Attendance at Board and Committee Meetings

The Company shall report annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. In the financial year there were 12 board meetings and all the Directors attended all of the meetings. To be efficient, the Directors meet formally and informally both in person and by telephone.

6. Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of three Directors. The Company believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Directors has experience in public markets.

The Board recognises that it currently has a limited diversity and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal. Currently each of the board are involved in financial markets and increase their awareness and skills via reading and participation in commercial transactions from time to time.

Mr Rupert Labrum
Executive Chairman

Rupert Labrum is a former investment banker, who retired after a successful career in the City of London. He was involved with Treasury and funding operations of international banks and building societies. He worked as a fund manager at Gartmore Investment Management and previously ran a proprietary derivatives trading desk at Deutsche Bank. Over the last several years, Mr Labrum has been an active investor in multiple private and publicly quoted companies. He has held notifiable positions in several AIM-quoted companies, and is the Company's largest shareholder, holding an aggregate interest in its shares of approximately 24%.

Mr Matthew Beardmore
Chief Executive Officer

Matthew Beardmore is a practising solicitor and commercial manager. He has acted on many investments, commercial transactions, property transactions and major projects amounting to several billion pounds during his career. Mr Beardmore was previously a non-executive director of AIM-quoted lnfraStrata plc, where he was instrumental in both completing and managing the company's EU grant applications.

Mr Hedley Clark
Non-executive Director

Hedley Clark is a Fellow of the Institute of Chartered Accountants in England and Wales. After nine years working in private practice, the last five at KPMG, he left to take up senior financial and management roles in various companies where he gained a wealth of international business experience. This included two successful start-ups. Up until the sale of the business in 2021, for the previous 12 years, Mr Clark's principal role had been as Managing Director of Credence Background Screening Limited, a successful background screening company which, since his initial involvement in 2009, saw significant revenue and profits growth.

Governance report (continued)

For the year ended 31 December 2022

7. Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, the Committee and individual Directors is undertaken on an annual basis in the form of informal discussions The annual report details the progress which the board and company has made for the year.

No succession planning is deemed necessary at this point due to the small size of the company.

Each director is also assessed by shareholders on a three year rotation basis at AGM when their re-appointment is due.

8. Principle Eight

Corporate Culture

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact its performance. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole. The corporate governance arrangements that the Board has adopted are designed to ensure the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

A large part of the Company's activities are centered upon what needs to be an open and respectful dialogue with investee companies and investors and other stakeholders. Therefore, the importance of sound ethical values and behaviors is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does.

The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the retained EU law version of the Market Abuse Regulation that has applied since 31st December 2020.

9. Principle Nine

Maintenance of Governance Structures and Processes

The Board provides strategic leadership for the Company and operates within the scope of a strong corporate governance framework. Its purpose is to ensure the delivery of long-term shareholder value, which involves setting the culture, values and practices that operate throughout the business, and defining the strategic goals that the Company implements in its business plan.

The Board defines a series of matters reserved for its decision and has approved terms of reference for its audit and remuneration committees to which certain responsibilities are delegated.

The chair of each committee reports to the Board on the activities of that committee.

Audit Committee

The Audit Committee has primary responsibility for ensuring that the financial performance of the Company is properly measured and reported on, reviewing the interim financial information and annual financial statements before they are submitted to the Board. The committee also reviews, and reports on, reports from the Company's auditors relating to its accounting controls. It makes recommendations to the Board on the appointment of auditors and the audit fee. The committee monitors the scope, results and cost-effectiveness of the audit. It has unrestricted access to the Company's auditors.

The current committee members are Hedley Clark (Chairman) and Rupert Labrum.

Governance report (continued)
For the year ended 31 December 2022

Remuneration Committee

The Remuneration Committee is chaired by Hedley Clark. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

Nominations Committee

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Non-Executive Directors

The Board currently has one non-executive director.

Due to the small size of the Company, it is deemed not necessary to appoint further non-executive directors until the Company's market capitalisation exceeds £10 million.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement. There are no plans at this stage to increase the governance framework until the Company's market capitalisation exceeds £10 million.

10. Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company and are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company though its website, www.primorusinvestments.com, and via Rupert Labrum, Executive Chairman, who is available to answer investor relations enquiries.

The Company is currently considering, subject to the necessary formalities, to move to electronic communications with shareholders in order to maximise efficiency. The Company's website details various information: annual reports, AGM notice of meetings and RNS announcements detailing results of meetings and other relevant information.

The Company shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.

Independent Auditor's Report to the Members of Primorus Investments plc

For the year ended 31 December 2022

Opinion

We have audited the financial statements of Primorus Investments plc for the year ended 31 December 2022 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and Notes to the financial statements, including significant accounting policies set out on pages 25 - 43. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards (UKIAS).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UKIASs; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

a) Reviewing management’s assessment of going concern including cash flow forecasts covering period up to 12 months from the date of approval for financial statements;
b) Reviewing and challenging key underlying assumptions used in the forecasts and reviewing for reasonableness;
c) Reviewing post-year end bank statements, Regulatory News Service announcements and management accounts and assessing post year-end performance and the latest financial position of the company;
d) We sensitised the cash flow forecasts and performed stress tests, in order to assess the impact on cash reserves of a shortfall against budget; and
e)Assessing the adequacy of going concern disclosures within the Annual Report and Financial Statements

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

In planning and performing our audit we applied the concept of materiality. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified. Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £116,000 (2021: £125,000) based on approximately 1.5% of gross assets on the basis that the company’s investments are the main components of the Statement of financial position.

Independent Auditor's Report to the Members of Primorus Investments plc (continued)

For the year ended 31 December 2022

We used a lower level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality was set based on 60% (2021: 60%) of overall materiality as adjusted for the judgements made with regard to the entity's risk and our evaluation of the specific risks of each audit area, taking into account the internal control environment. Where considered appropriate, performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £5,800 (2021:£6,250), which is based on 5% (2021: 5%) of overall materiality. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the directors in respect of the carrying values of the company's investments and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our scope addressed this matter
Valuation, classification and impairment of investments (Note 8)	
The company held investments with a value of £7.508m as at 31 December 2022. These are valued in accordance with International Financial Reporting Standards (IFRS) 13 and the fair value hierarchy; and classified as per IFRS 9. There is the risk that these investments have not been valued in accordance with IFRS 13 or classified in accordance with IFRS 9 and require impairment or reclassification. The investees are generally early stage private companies which do not have readily available fair values under the fair value hierarchy. Calculating a fair value can therefore involve a significant level of judgement.	Our work in this area included: • Reviewing the valuation methodology for the investments held and ensuring that the carrying values are supported by sufficient and appropriate audit evidence; • Ensuring that all asset types are categorised according to IFRS, including the accounting disclosures as required under IFRS 9; • Reviewing the movement in investments to ensure they are accounted for and disclosed correctly in line with IFRS 9; • Ensuring that Primorus Investments Plc has full title to the investments held; • Performed a post year-end review of regulatory news service announcements, board minutes, bank statements and ledgers to identify transactions to support the 31 December 2022 carrying value. • Ensuring that appropriate disclosures surrounding the estimates made in respect of any valuations are included in the financial statements; and • Considering whether the transactions have been accounted for correctly within the financial statements. • The conclusion of our work was that the investments are fairly stated in the financial statements, and we consider that management's judgement in respect of the carrying value and classification of financial investments is materially reasonable.

Independent Auditor's Report to the Members of Primorus Investments plc (continued)

For the year ended 31 December 2022

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Primorus Investments plc (continued)

For the year ended 31 December 2022

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

• We obtained an understanding of the company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector etc. This is evidenced by discussion of laws and regulations with the management, reviewing minutes of meetings of those charged with governance and RNSs and review of legal or professional expenditures.
• We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, AIM rules, GDPR, Employment Law, Health and Safety Law, Anti-Bribery and Money Laundering Regulations and QCA compliance.
• We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
o Discussion with management regarding potential non-compliance;
o Review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations; and
o Review of minutes of meetings of those charged with governance and RNSs

Independent Auditor's Report to the Members of Primorus Investments plc (continued)

For the year ended 31 December 2022

• We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the carrying value of the investments and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
• As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business and review of bank statements during the year to identify any large and unusual transactions where the business rationale is not clear.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Zahir Khaki (Senior statutory auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD
Date: 15 June 2023

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Note	2022 £000	2021 £000
Income			
Investment income	3	**93**	141
Realised (loss)/gain on financial investments	3	**(288)**	323
Unrealised (loss)/gain on financial investments	3	**(542)**	19
Gross (loss)/profit		**(737)**	483
Administrative expenses	4,5	**(401)**	(418)
Impairment of financial investments	8	**(375)**	(106)
Loss before tax		**(1,513)**	(41)
Tax credit	7	**29**	150
(Loss)/profit for the year		**(1,484)**	109
Total comprehensive income		**(1,484)**	109

		2022 Pence	2021 Pence
Earnings per share attributable to the ordinary equity holders of the parent			
Basic	9	**(1.061)**	0.078
Diluted	9	**(1.061)**	0.072

The notes on pages 25 to 43 form part of these financial statements.

Statement of Financial Position
As at 31 December 2022

	Note	2022 £000	2021 £000
Assets			
Non-current assets			
Financial investments	8	**5,444**	7,533
		5,444	7,533
Current assets			
Financial investments	8	**2,064**	511
Trade and other receivables	10	**34**	5
Bank and cash balances	17	**114**	941
		2,212	1,457
Total assets		**7,656**	8,990
Liabilities			
Non-current liabilities			
Current liabilities			
Trade and other liabilities	11	**110**	44
Contract liabilities		**-**	37
		110	81
Total liabilities		**110**	81
Net assets		**7,546**	8,909
Issued capital and reserves			
Share capital	13	**280**	280
Other reserves		**-**	13
Retained earnings		**7,266**	8,616
TOTAL EQUITY		**7,546**	8,909

The financial statements on pages 21 to 43 were approved and authorized for issue by the board of directors on 15 June 2023 and were signed on its behalf by:

Rupert Labrum
Director

Hedley Clark
Director

The notes on pages 25 to 43 form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total attributable to owners of the company
	£000	£000	£000	£000	£000
At 1 January 2021	15,391	35,296	-	(41,901)	8,786
Profit for the year	-	-	-	109	109
Total comprehensive income for the year	-	-	-	109	109
Shares cancelled during the year	(15,111)	(35,296)	-	50,408	-
Share based payment expense (note 15)	-	-	13	-	13
Total contributions by and distributions to owners	(15,111)	(35,296)	13	50,408	14
At 31 December 2021	**280**	**-**	**13**	**8,616**	**8,909**
At 1 January 2022	280	-	13	8,616	8,909
Loss for the year	-	-	-	(1,484)	(1,484)
Total comprehensive income for the year	-	-	-	(1,484)	(1,484)
Share based payment expense (note 15)	-	-	121	-	121
Reclassification upon cancellation of share options	-	-	(134)	134	-
Total contributions by and distributions to owners	-	-	(13)	134	121
At 31 December 2022	**280**	**-**	**-**	**7,266**	**7,546**

The notes on pages 25 to 43 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2022

	2022 £000	2021 £000
Cash flows from operating activities		
(Loss)/profit for the year	**(1,484)**	109
Adjustments for		
Loss/(Gain) on disposal of financial investments	**288**	(323)
Fair value movements on financial investments	**542**	(19)
Impairment provision on unlisted investments	**375**	106
Share-based payment expense	**121**	13
Interest income on investments	**(93)**	(142)
Net foreign exchange (gain)/loss	**(112)**	55
Income tax (credit)	**(29)**	(150)
	(392)	(351)
Movements in working capital:		
Increase in trade and other receivables	**-**	(3)
Increase/(decrease) in trade and other payables	**66**	(11)
Cash generated from operations	**(326)**	(365)
Income taxes paid	**(36)**	(260)
Net cash used in operating activities	**(362)**	(625)
Cash flows from investing activities		
Proceeds on sale of financial investments	**1,937**	3,474
Purchase of financial investments	**(2,402)**	(6,468)
Net cash decrease in cash and cash equivalents	**(827)**	(3,619)
Cash and cash equivalents at the beginning of year	**941**	4,560
Cash and cash equivalents at the end of the year	**114**	941

The notes on pages 25 to 43 form part of these financial statements.

Notes to the Financial Statements
For the year ended 31 December 2022

1. Accounting policies

1.1 Basis of preparation

Primorus Investments plc is a public company incorporated and domiciled in the United Kingdom. The Company's registered office is 48 Chancery Lane, London, WC2A 1JF. The Company's shares are listed on the AIM market of the London Stock Exchange.

The Financial Statements are for the year ended 31 December 2022 and have been prepared under the historical cost convention, except for debt and equity that have been measured at fair value.

The financial statements have been prepared in accordance with the Companies Act 2006 and UK-adopted international accounting standards (UK-adopted IAS) and related interpretations.

These financial statements have been prepared and approved by the Directors on 15 June 2023 and signed on their behalf by Rupert Labrum and Hedley Clark.

The accounting policies have been applied consistently throughout the preparation of these financial statements and the financial report is presented in Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£000) unless otherwise stated.

Notes to the Financial Statements
For the year ended 31 December 2022

1. Accounting policies (continued)

1.2 Investing policy

The Company's Investing Policy is to establish and/or acquire a diverse portfolio of direct and indirect interests in companies and/or projects at any stage of their development or operational lifecycle with a particular focus on the natural resources, energy, clean technology, financial technology, business technology, infrastructure, property, consultancy, brand licensing and leisure sectors. However, the Company will consider opportunities in all sectors as they arise if the Board considers there is an opportunity to generate potential value for Shareholders. The Company will consider possible opportunities anywhere in the world.

The Directors have considerable experience in investing, both in structuring and executing deals and in raising capital. The Directors will use this experience to identify and investigate potential opportunities, and to negotiate acquisitions and investments. Wherever necessary, the Company will engage suitably qualified technical personnel to carry out specialist due diligence prior to making an acquisition or an investment.

The Company may invest by way of outright acquisition of assets, including the intellectual property, of a relevant business, or by entering into partnerships, joint ventures or other forms of collaborative arrangements. Such investments may result in the Company acquiring the whole or part of a company or project (which in the case of an investment in a company may be private or listed on a stock exchange, and which may be pre-revenue), and such investments may constitute a minority stake in the company or project in question or the Company may create new entities for the purposes of investing in such assets.

The Company may be an active and/or a passive investor depending on the nature of the individual investments. Although the Company intends to be a long-term investor, the Directors will place no minimum or maximum limit on the length of time that any investment may be held.

One principal area of investment focus for the Company moving forward shall be to invest, as a founder or cofounder investor, seed investor and/or cornerstone investor in special purpose acquisition companies ("SPACs") which are established for the purpose of identifying suitable acquisition targets. The Company will seek to invest in SPACs which are focused on identifying suitable acquisition targets which operate within the sectors that the Company itself wishes to concentrate on. The Company anticipates that it will principally invest in SPACs whose shares are traded on, or are intended to be traded on, the Standard segment of the Main Market or the AIM market of the London Stock Exchange. However, the Company shall be permitted to invest in SPACs whose shares are traded on, or are intended to be traded on, any securities exchange, without geographic limitation.

The Directors may offer new ordinary shares in the capital of the Company by way of consideration and/or cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, but not limited to, delays in collecting accounts receivable, unexpected changes in the economic environment and unforeseen operational problems. The Company may in appropriate circumstances issue debt securities or otherwise borrow money to complete an acquisition or investment.

The Directors do not intend to acquire any cross-holdings in other corporate entities that have an interest in the ordinary shares in the capital of the Company.

There are no restrictions on the type of investments that the Company might make or the type of opportunity that may be considered providing they meet the objectives of this Investing Policy.

In addition, the Directors may consider, from time to time, other means of facilitating returns to shareholders including dividends, share repurchases, demergers, and schemes of arrangement or liquidation.

Notes to the Financial Statements

For the year ended 31 December 2022

1. Accounting policies (continued)

1.3 Going concern

The Directors noted the operating losses that the Company has made for the year ended 31 December 2022. The Directors have prepared cash flow forecasts for a period of at least twelve months from the date of the approval of these financial statements, i.e. up to 30 June 2024 which take account of the current cost and operational structure of the Company.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding.

These forecasts demonstrate that the Company has sufficient cash and liquid funds (i.e investments in listed companies) available to allow it to continue in business for a period of at least twelve months from the date of the approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

It is the prime responsibility of the Board to ensure the Company remains a going concern. At 31 December 2022, the Company had cash and cash equivalents of £114,000. The Company also has listed financial investments of £1,203,000 as at 31st December 2022 and a convertible loan note of £861,000, including accrued interest, that is due to be repaid in July 2023. The Company has minimal contractual expenditure commitments and the Board considers the present funds together with the convertible loan note and future disposals of its listed financial investments sufficient to maintain the working capital of the Company for a period of at least 12 months from the date of signing the Annual Report and Financial Statements. For these reasons the Directors adopt the going concern basis in preparation of the Financial Statements.

1.4 New standards, amendments and interpretations adopted by the Company

No new and/or revised Standards and Interpretations have been required to be adopted, and/or are applicable in the current year by/to the Company, as standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2022 are not material to the Company.

1.5 New standards, amendments and interpretations not yet adopted

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

1.6 Key accounting judgements and estimates

The preparation of the Financial Statements requires the Company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historic experiences and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions or conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements
For the year ended 31 December 2022

1. Accounting policies (continued)

Unlisted investments

The company is required to make judgements over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment. Further details relating to management's assessment of the carrying value of unlisted investments can be found in the Chairman's report.

Share based payments

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

1.7 Income

Income is measured by reference to the fair value of consideration received or receivable by the Company as a result of its investment activities. Income is credited to the Income Statement in the period it is deemed to be earned.

For quoted financial investments, where the quoted price at the date of these financial statements is different from the original cost or value at the end of the previous account period, the Company reflects the change in value as either an unrecognised gain or loss.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income from a financial asset at FVTPL is recognised when it is possible that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

1.8 Finance income and costs

Finance income and costs are reported on an accruals basis.

1.9 Segment reporting

Segmental analysis is not applicable as there is only one operating segment of the continuing business - investment activities.

Notes to the Financial Statements
For the year ended 31 December 2022

1. Accounting policies (continued)

1.10 Taxation

Current tax is the tax currently [payable/refundable] based on taxable loss for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amount of assets and liabilities and their tax bases for financial reporting purposes at the reporting date. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that the reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1.11 Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the profit or loss in the period in which they arise. Exchange differences on non-monetary items are recognised in other comprehensive income to the extent that they relate to a gain or loss on that non-monetary item taken to other comprehensive income, otherwise such gains and losses are recognised in the statement of profit or loss.

Notes to the Financial Statements

For the year ended 31 December 2022

1. Accounting policies (continued)

1.12 Equity

Equity comprises the following:

- "Share capital" representing the nominal value of equity shares.
- "Share premium" representing the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Share based payment reserve" represents the value of equity benefits provided to employees and directors as part of their remuneration and provided to consultants and advisors hired by the Company from time to time as part of the consideration paid.
- "Retained earnings" representing retained profits.

1.13 Share capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

1.14 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Convertible Loans

Convertible loans made to companies are classified as financial assets. The embedded derivative asset, relating to a convertible loan where the carrying asset converts into a variable number of shares, is held at "fair value through profit or loss". The carrying value of the loan is measured at fair value through profit and loss.

1.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial investments
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

Financial investments at fair value through profit or loss
Non-derivative financial assets comprising the Company's strategic financial investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. These assets are classified as financial assets at fair value through profit or loss. They are carried at fair value with changes in fair value recognised through the income statement. Where there is a significant or prolonged decline in the fair value of a financial investment (which constitutes objective evidence of impairment), the full amount of the impairment is recognised in the income statement.

Due to the nature of these assets being unlisted investments or held for the longer term, the investment period is likely to be greater than 12 months and therefore these financial assets are shown as non-current assets in the Statement of financial position.

Listed investments are valued at closing bid price on 31 December 2022. For measurement purposes, financial investments are designated at fair value through the income statement. Gains and losses on the realisation of investments are recognised in the income statement for the period. The difference between the market value of financial instruments and the book value to the Company is shown as an unrealised gain or loss in the income statement for the period.

Notes to the Financial Statements
For the year ended 31 December 2022

1. Accounting policies (continued)

1.15 Financial instruments (continued)

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are accounted for at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account the age of the debt, historical experience and general economic conditions. If a trade debt is determined to be uncollectable, it is written off, firstly against any provisions already held and then to the statement of comprehensive income. Subsequent recoveries of amounts previously written provided for are credited to the statement of comprehensive income.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss in accordance with the expected credit loss model under IFRS 9. For trade and other receivables which do not contain a significant financing component, the Company applies the simplified approach. This approach requires the allowance for expected credit losses to be recognised at an amount equal to lifetime expected credit losses. For other debt financial assets the Company applies the general approach to providing for expected credit losses as prescribed by IFRS 9, which permits for the recognition of an allowance for the estimated expected loss resulting from default in the subsequent 12 month period. Exposure to credit loss is monitored on a continual basis and, where material, the allowance for expected credit losses is adjusted to reflect the risk of default during the lifetime of the financial asset should a significant change in credit risk be identified.

The majority of the Company's financial assets are expected to have a low risk of default. A review of the historical occurrence of credit losses indicates that credit losses are insignificant due to the size of the Company's clients and the nature of its activities. The outlook for the natural resources industry is not expected to result in a significant change in the Company's exposure to credit losses. As lifetime expected credit losses are not expected to be significant the Company has opted not to adopt the practical expedient available under IFRS 9 to utilise a provision matrix for the recognition of lifetime expected credit losses on trade receivables. Allowances are calculated on a case-by-case basis based on the credit risk applicable to individual counterparts

Trade and other payables
Trade and other payables are held at amortised cost which equates to nominal value and, in the case of loans and borrowings including bank overdrafts, net of directly attributable transaction costs.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and liquid investments generally with maturities of 3 months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

1.16 Share-Based Payments

The Company cancelled the share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. Under IFRS 2 where a grant of equity instruments is cancelled during the vesting period, the Company is required to account for the cancellation as an acceleration of vesting and therefore has immediately recognized the amount that otherwise would have been recognised for services received over the remainder of the vesting period. See note 15 below.

Notes to the Financial Statements

For the year ended 31 December 2022

2. Functional and presentation currency

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

3. Income

The Company operates a single primary activity to invest in businesses so as to generate a return for the shareholders.

	2022 £000	2021 £000
Investment income - interest received on loan notes	**93**	141
Realised (loss)/gain on financial investments	**(288)**	323
Unrealised (loss)/gain on financial investments	**(542)**	19
Total income	**(737)**	483

4. Operating profit

The operating (loss)/profit is stated after charging/(crediting):

	2022 £000	2021 £000
Differences on foreign exchange	**(112)**	55
Legal fees	**-**	38
Other general overheads	**513**	301
Total administrative expenses excluding auditors remuneration	**401**	394

5. Auditor's remuneration

	2022 £000	2021 £000
Fees payable for the audit of the annual accounts	**24**	24

Notes to the Financial Statements

For the year ended 31 December 2022

6. Information regarding directors and employees

	2022 £000	2021 £000
Employment costs, including Directors, during the year:		
Wages and salaries	132	114
Social security costs	15	12
	147	126

Average number of persons, including Directors, employed:	**No.**	**No.**
Administration	3	3
	3	3

Directors' remuneration	**£000**	**£000**
Emoluments	132	114
Social security costs	15	12
Share based payment	121	9
	268	126

The Company operates only the basic pension plan required under UK legislation, contributions thereto during the year amounts to £Nil (2021: £Nil).

Directors' interest in share options is set out in Note 15.

Emoluments of the individual Directors

	Fees and salaries	Share based payments	Total
2022	**£000**	**£000**	**£000**
R Labrum	48	41	89
M Beardmore	60	40	100
H Clark	24	40	64
	132	121	253
2021	**£000**	**£000**	**£000**
R Labrum	48	3	51
M Beardmore	42	3	45
H Clark	24	3	27
	114	9	123

Key management personnel

The key management personnel are considered to be the directors. Their remuneration is included in the note above.

Notes to the Financial Statements

For the year ended 31 December 2022

7. Tax expense

7.1 Income tax recognised in profit or loss

	2022	2021
	£000	£000
Taxation		
Current tax	-	33
Prior year adjustment	**(29)**	(183)
Total tax	**(29)**	(150)
	(29)	(150)
Total tax credit	**29**	150
Tax credit		
	29	150

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to the (loss)/profit for the year are as follows:

	2022	2021
	£000	£000
(Loss)/profit for the year	**(1,484)**	109
Income tax (credit)/expense	**(29)**	(150)
Loss before income taxes	**(1,513)**	(41)
Tax using the Company's domestic tax rate of 19% (2021:19%)	**(287)**	(8)
Expenses not deductible for tax purposes	**232**	37
Allowable tax expenses - unrecognised deferred tax	**54**	-
Income not taxable for tax purposes	**-**	(61)
Chargeable gain	**-**	65
Prior year adjustments	**(28)**	(183)
Total tax expense	**(29)**	(150)

Notes to the Financial Statements
For the year ended 31 December 2022

8. Financial investments

	£000	£000	£000	£000
	Level 1	**Level 2**	**Level 3**	**Total**
Fair value at 31 December 2021	**633**	**-**	**7,409**	**8,042**
Additions	2,153	-	1,552	3,705
Transfer	350	-	(350)	-
Fair value changes	(542)	-	-	(542)
Loss on disposals	(288)	-	-	(288)
Disposal	(696)	-	(2,450)	(3,146)
Impairment provision	(407)	-	32	(375)
Foreign exchange	-	-	112	112
Fair value at 31 December 2022	**1,203**	**-**	**6,305**	**7,508**

The financial assets are split as follows:	**£000**	**£000**	**£000**	**£000**
	Level 1	**Level 2**	**Level 3**	**Total**
Current assets - listed	1,203	-	-	1,203
Current assets - unlisted convertible loans	-	-	861	861
Non-current assets - unlisted	-	-	5,444	5,444
Total	**1,203**	**-**	**6,305**	**7,508**

	£000	£000	£000	£000
	Level 1	**Level 2**	**Level 3**	**Total**
(Loss)/profits on investments held at fair value through profit or loss				
Fair value (loss)/gain on investments	(542)	-	-	(542)
Realised (loss)/gain on disposal of investments	(288)	-	-	(288)
Net profit on investments held at fair value through profit or loss	**(830)**	**-**	**-**	**(830)**

Level 1	represent those assets, which are measured using unadjusted quoted prices for identical assets
Level 2	applies inputs other than quoted prices included in Level 1 that are observable for the assets either directly (as prices) or indirectly (derived from prices).
Level 3	applies inputs, which are not based on observable market data

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

The Directors have reviewed the carrying value of the investments, and have determined an impairment is required of £374,805 (2021: £105,693). This represents an impairment of £406,740 in respect of Rambler Metals and Mining PLC and a reinstatement of value of £31,935 in respect of the Supernatural Foods Limited shares that were disposed of during the year.

Investments comprise both listed and unlisted investments. The listed investments are traded on stock markets throughout the world and are held by the Company as a mix of strategic and short-term investments.

Notes to the Financial Statements
For the year ended 31 December 2022

Significant additions and disposals during the year

Mustang Energy PLC ("Mustang") and Bushveld Minerals Limited (“Bushveld”)
In January 2022 the Company sold $1.0 million of its US$2.5 million CLN in Mustang , plus accrued interest, to certain existing Mustang CLN investors. In March 2022 the Company converted the remainder of the CLN plus accrued interest in Mustang to a CLN in Bushveld. In April and May 2022 the Company exercised its rights under the CLN with Bushveld and converted a total of £411,000 of the CLN to shares, of which it subsequently disposed. The CLN is due to be repaid on 14th July 2023, along with accrued interest.

Clean Power Hydrogen PLC
In February 2022 the Company invested £1.0 million in Clean Power Hydrogen PLC, a manufacturer of the membrane-free electrolyser which is used to create hydrogen and medical grade oxygen. The company is listed on the UK Alternative Investment Market.

Rambler Metals & Mining PLC (“Rambler”)
During the year the Company acquired £514,000 of shares and sold £114,000 of shares in Rambler. Subsequent to the year-end, Rambler went into liquidation. As a result, the directors have made an impairment provision for the full value of the remaining shares.

9. Earnings per share

(i) Basic earnings per share

	2022 Pence	2021 Pence
From continuing operations attributable to the ordinary equity holders of the Company	**(1.061)**	0.078
Total basic earnings per share attributable to the ordinary equity holders of the Company	**(1.061)**	0.078

(ii) Diluted earnings per share

	2022 Pence	2021 Pence
From continuing operations attributable to the ordinary equity holders of the Company	**(1.061)**	0.072
Total diluted earnings per share attributable to the ordinary equity holders of the Company	**(1.061)**	0.072

(iii) Weighted average number of shares used as the denominator

	2022 No.	2021 No.
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**139,830,968**	139,830,968
Options	**-**	12,000,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**139,830,968**	151,830,968

Notes to the Financial Statements

For the year ended 31 December 2022

10. Trade and other receivables

	2022 £000	2021 £000
Other receivables	-	1
Prepayments and accrued income	5	4
Tax recoverable	29	-
Total trade and other receivables	**34**	5

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

11. Trade and other payables

	2022 £000	2021 £000
Trade payables	15	12
Tax due to HMRC	60	-
Accruals and deferred income	35	32
Total trade and other payables	**110**	44

Notes to the Financial Statements
For the year ended 31 December 2022

12. Risk management objectives and policies

Financial assets by category
The categories of financial asset included in the balance sheet and the headings in which they are included are as follows:

	2022	2021
	£000	£000
Current assets		
Listed investments	1,203	511
Unlisted investments	861	-
Trade and other receivables	34	5
Cash	114	941
	2,212	1,457

Financial liabilities by category
The categories of financial liability included in the balance sheet and the headings in which they are included are as follows:

	2022	2021
	£000	£000
Current liabilities		
Trade and other payables	110	44
	110	44

The company is exposed to market risk through its use of financial instruments and liquidity risk which result from both its operating and investing activities. The Company’s risk management is coordinated at its headquarters, in close co-operation with the Board of Directors, and focuses actively securing the Company’s short to medium term cash flows by minimising the exposure to financial markets. Long term financial investments are managed to generate lasting returns. In order to provide on-going working capital the Company engages in the short term trading of financial assets but does not write options. The most significant financial risks to which the Company is exposed to are described below.

Interest rate sensitivity
The Company is not substantially exposed to interest rate sensitivity, other than in relation to interest bearing bank accounts.

Credit risk analysis
None of the Company’s financial assets are secured by collateral or other credit enhancements.
The credit risk for liquid funds is considered negligible since the counterparties are reputable banks and other financial institutions with high quality external credit ratings. The credit risk of other short-term financial assets, which consist of listed investments, are considered a medium risk due to fluctuations in share prices.

Currency risk
The Company holds certain financial investments in foreign currencies, notably Australian Dollars, which expose the Company to the risk that the exchange rates against pound sterling will change in a manner which adversely impacts the Company’s net profit and net assets attributable to shareholders. A 10% decrease in the value of sterling would result in an increase in the fair value of financial investments by £261,000 and a corresponding increase in the value of sterling would result in a decrease in the value of financial investments by the same amount.

Notes to the Financial Statements

For the year ended 31 December 2022

Liquidity risk analysis

The Company's continued future operations depend on the ability to raise sufficient working capital through the issue of the equity share capital. The Directors are confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

Capital management

The Company's capital management objectives are:

- To ensure the Company's ability to continue to ensure sufficient working capital; and
- To provide a return to shareholders

The capital structure of the Company consists of total shareholders' equity as set out in the 'Consolidated statement of changes in equity'. All working capital requirements are financed from existing cash resources.

Capital is managed on a day to day basis to ensure the Company is able to operate as a going concern. The Board reviews forward looking cash flow projections at periodic intervals during the year as well as information regarding cash balances. At the balance sheet date the Company had cash balances of £114,000 and the financial forecasts indicate the Company has sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to establish overdraft of other borrowing facilities.

Market risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate.

The Company holds investments in companies that are listed on stock markets. The value at the balance sheet date is £1,203,000 (2021: £633,000). If there were to be a 10% decrease in overall share prices of these financial investments, the impact on the comprehensive income and net assets would be a decrease of £120,000 (2021: £63,000). There would be a similar increase in the event there was a 10% increase in overall share prices.

Fair value of financial assets and liabilities

Financial assets and liabilities are carried in the Statement of Financial position at either their fair value (financial investments) or at a reasonable approximation of the fair value (trade and other receivables, trade and other payables and cash and cash equivalents).

The fair values are included at the amount at which the instrument could be exchanged in the current transaction between willing parties, other than in a forced or liquidation sale.

Notes to the Financial Statements
For the year ended 31 December 2022

13. Share capital

Authorised

	2022 Number	2022 £000	2021 Number	2021 £000
Shares treated as equity				
Ordinary shares of £0.0020 each	**139,830,968**	**280**	139,830,968	280
	139,830,968	**280**	139,830,968	280

Issued and fully paid

	2022 Number	2022 £000	2021 Number	2021 £000
Ordinary shares of £0.0020 each				
At 1 January and 31 December	**139,830,968**	**280**	139,830,968	280

14. Capital commitments

The Directors have confirmed that there were no contingent liabilities or capital commitments which should be disclosed as at 31 December 2022 (2021: nil). No provision has been made in the financial statements for any amounts in relation to any capital expenditure requirements of the Company's associate or investments, and such costs are expected to be fulfilled in the normal course of the operations of the Company.

Notes to the Financial Statements
For the year ended 31 December 2022

15. Share schemes

During the year the directors agreed to cancel the Share Options that had been granted in the previous year. There are now no share options outstanding.

Full details of the Share Options, including their exercise prices and periods, are set out below:

	At 1 January 2022	Issued during the year	Terminated during the year	At 31 December 2022
Share options	**No.**	**No.**	**No.**	**No.**
R Labrum	3,000,000	-	(3,000,000)	-
H Clark	3,000,000	-	(3,000,000)	-
M Beardmore	3,000,000	-	(3,000,000)	-
S Holden	3,000,000	-	(3,000,000)	-
	12,000,000	-	(12,000,000)	-

The weighted average values of options are as follows:

	2022	**2021**
Weighted average exercise price of options granted	0.041p	0.041p
Weighted average exercise price of options exercisable at the end of the year	0.000p	0.041p
Weighted average option life remaining	0 years	0 years

During the year the holders of the Share Options agreed to terminate all of the 12,000,000 share options. As such, the termination is treated as an acceleration of vesting and the share based payment expense that would otherwise have been recognised over the remainder of the vesting period has been recognised in full during the year. The Monte Carlo pricing model has been used to determine the fair value of the share options on the date the options were granted.

For those options granted where IFRS 2 "Share-Based Payment" is applicable, the fair values were calculated using the Monte Carlo pricing model. The inputs into the model were as follows:

	Risk Free Rate	**Share Price Volatility**	**Expected life**	**Share price at date of grant**
1 March 2021	0.36%	67.53%	5 years	0.041

Expected volatility was determined by calculating the historical volatility of the Company's share price for 12 months prior to the date of grant. The expected life used in the model is the term of the options.

	2022	**2021**
	£000	**£000**
Charges to the statement of comprehensive income	121	13

Notes to the Financial Statements

For the year ended 31 December 2022

16. Ultimate controlling party

It is considered that there is no ultimate controlling party of the Company.

17. Notes supporting statement of cash flows

	2022	2021
	£000	£000
Cash at bank available on demand	**114**	941
Cash and cash equivalents in the statement of financial position	**114**	941
Cash and cash equivalents in the statement of cash flows	**114**	941

18. Events after the reporting date

Subsequent to the year-end, Rambler Metals and Mining PLC went into liquidation. As a result, the directors have made an impairment provision of £406,740 for the full value of the shares held at the year-end.