

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 June 2022
for
Eurovestech Plc

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for the Year Ended 30 June 2022

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DIRECTORS:	R P Bernstein R H Grogan Q C M Solt
SECRETARY:	Q C M Solt
REGISTERED OFFICE:	164 Field End Road Eastcote Middlesex HA5 1RH
REGISTERED NUMBER:	03913197
INDEPENDENT AUDITORS:	Lawrence Johns Registered Auditors 164 Field End Road Eastcote Middlesex HA5 1RH
BANKERS:	HSBC Bank Plc Level 6 71 Queen Victoria Street London EC4V 4AY
REGISTRARS:	Link Asset Services 6th Floor 65 Gresham Street London EC2V 7NQ

Chairman's Report
for the Year Ended 30 June 2022

I'm pleased to provide this update for the year to June 2022. During a period of geopolitical, fiscal and monetary difficulties within both the UK and the global economy, it is gratifying to be reporting an increase in net asset value, a profit for the year and a reduction in our expense ratio.

Our net assets have increased to £49 million, equivalent to 6.98p a share. A year ago, our net assets were £36.3 million, equivalent to 5.6p a share. We delivered a profit before and after tax of £8.5 million. Our total administrative expenses were down from £0.7 million to £0.4 million and represent less than one per cent of our net assets.

We are acutely aware that growing net assets is only part of what our shareholders wish to see. The other element is realisations and returns of capital. We are mindful not to confuse achievement with effort and whilst we have worked earnestly and steadfastly to deliver exits, not only has the investment backdrop been most unfavourable but as minority shareholders, our influence is limited. No more is this the case than at Toluna Holdings Limited ("Toluna").

Shareholders are already familiar with our journey with Toluna, from providing seed finance in 2000. I will not take this opportunity to repeat the stages of our journey. You will however recall that during the year under review, we were able to increase our shareholding in Toluna. This stemmed from Invesco Perpetual's decision to sell its shareholding at a fraction of what we (and other shareholders) considered to be fair value. The shares changed hands at equivalent to around 0.4 times historic revenues. The result is that we increased our shareholding to 13.4 per cent of the company.

Toluna's carrying value at £36 million now represents over 73% of net asset value. Its importance in terms of returns of capital cannot be over-emphasised. We are pleased to report that Verlinvest, the largest shareholder in Toluna now shares our perspective on how best to maximise shareholder value. Toluna is a substantial business with historic revenues to December 2021 of £142 million. We believe that it makes an attractive acquisition candidate.

Maxoptra, the independent provider of Software as a Service ("SaaS") route optimisation and vehicle planning solutions has delivered strong and growing profits. For the year to December 2020, it achieved a profit before tax of £461,000. For the year to December 2021, it achieved a profit before tax of £1.2 million. Eurovestech owns 34.8 per cent of Maxoptra's fully diluted share capital. We regard this as a valuable business, capable of securing in excess of our £6.2 million carrying cost.

Our other investments, VizEat, LogNet, Audionamix and Magenta are relatively small in comparison to Toluna and Maxoptra. VizEat, with its dependency on social dining and Chinese business endured a torrid time with Covid. Endured is the key word. We pay tribute to our former Director of Investments, Jean-Michel Petit, who as CEO of VizEat has fought tirelessly in order to keep VizEat alive. He has succeeded. The company has recently closed a funding round from its largest shareholder, Goldenpartners.

LogNet is also fighting hard. It achieved a profit for the year to December 2022 of around £0.4 million on sales of £7 million. Magenta Corporation has a carrying value of £662,000 and we are hopeful of realising close to this amount in the coming months. We previously reported that the film and music industries suffered badly from the effects of the pandemic and that this was the case at stemming solutions provider Audionamix. This remains the case and Eurovestech has to date been unable to provide investment to support new research and development.

Overall, we are pleased with the progress of the portfolio and look forward to the coming year with cautious optimism.

R H Grogan
Chairman

29 March 2023

Strategic Report
for the Year Ended 30 June 2022

The directors present their strategic report for the year ended 30 June 2022.

This strategic report has been prepared in compliance with Section 414C of the Companies Act 2006 for the purpose of informing the members and helping them assess how the directors have performed their duty under Section 172 of the Companies Act 2006 to promote the success of the company.

REVIEW OF BUSINESS

The company recorded a profit for the financial year after taxation amounting to £8,467,767 (30 June 2021: £6,927,938). This is predominantly due to revaluations and impairments of investments in the year. Further details of the company's performance are given in the Chairman's Report on page 2 of these financial statements.

The directors do not recommend any dividends for the year ended 30 June 2022 (30 June 2021: £nil) and no dividend was paid in the year ended 30 June 2022 (30 June 2021: £nil).

Future developments

Details of future developments are detailed in the Chairman's statement on page 2 of these financial statements.

Key performance indicators

The Company considers its key performance indicators to include growth in the value of its investment portfolio and total funds returned to shareholders. The company is actively looking to sell the investments held in the portfolio with a view to returning funds to shareholders.

The performance of the company is reflected in the performance of the Company's investment portfolio which shows a carrying value of £50.7 million at 30 June 2022 compared to £39.0 million for 30 June 2021. The movement in the carrying value of the portfolio is a result of an addition to the Toluna Holdings Limited investment and revaluations at 30 June 2022 of Toluna Holdings Limited, Magenta Corporation Limited, Lognet Information Systems Limited, VizEat Limited and Maxoptra Limited and the impairment of Audionamix SA. There were no disposals in the year.

In the last year no surplus funds were returned to shareholders.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk regarding the future financial performance of Eurovestech Plc is the future performance of its portfolio.

A key risk for Eurovestech Plc is the identification and evaluation of investments. Executive management seeks to moderate the risk by undertaking comprehensive studies in co-operation with outside resources provided by appropriate industry and professional specialists of potential investments, and hence having greater assurance over the future success of investments it enters into. A further key risk is the successful performance of the existing investment portfolio. This is mitigated through monitoring of regular reporting by investee companies and working closely with their management, often through holding board positions at each investee company.

Financial Risk management

The company's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The company's activities expose it to a variety of risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by the board and their policies are outlined below.

Foreign exchange risk

The Company is exposed to translation and transaction foreign exchange risk as it operates primarily within Europe and the US with transaction denominated in Sterling, Euros and US dollars. The Company policy is to try to match the timing of the settlement of sales and purchase invoices so as to aim to eliminate currency exposure.

The Company does not hedge any transactions and foreign exchange differences on re-translation of foreign assets and liabilities are taken to the Profit and Loss Account. The Company does not consider there to be a significant risk from its investments.

Strategic Report
for the Year Ended 30 June 2022

Sensitivity to reasonable possible movements in exchange rates can be measured on the basis that all other variables remain constant. Strengthening or weakening of the Euro or US dollar against Sterling would impact equity and the results for the year.

The majority of the Company's financial assets are held in Sterling but movements in the exchange rate of the Euro and the US dollar against Sterling have an impact on both the result for the year and equity.

Interest rate risk

The Company finances its operations through equity fundraising and therefore does not carry significant borrowings. As the Company carries modest long-term borrowings, the Directors consider that there is no significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. In order to minimise the risk, the Company endeavours only to deal with companies (including investee companies) which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount.

Provision of services by the Company results in trade debtors which the management considers to be of low risk. Other debtors include subscription monies from shareholders and are likewise considered to be low risk. Management do not consider that there is any concentration of risk within either trade or other debtors. No trade or other debtors have been impaired. Credit risk on cash and cash equivalents is considered to be small as the counter-parties are all substantial banks with high credit ratings. The maximum exposure is the amount of the deposit.

Liquidity risk

The Company currently holds substantial cash balances in Sterling to provide funding for normal trading activity. The Company also has access to additional equity funding and, for short term flexibility, overdraft facilities would be arranged with the Company's bankers. Trade and other creditors are monitored as part of normal management routine.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other members. The Company will also seek to minimise the cost of capital and attempt to optimise the capital structure. Capital for further development of the Company's activities is achieved by disposals and share issues. No dividends were declared during the year or the previous year. There is no material difference between the fair values and the carrying values of these financial instruments.

ON BEHALF OF THE BOARD:

R P Bernstein - Director

29 March 2023

Report of the Directors
for the Year Ended 30 June 2022

The directors present their report with the audited financial statements of the company for the year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of investment in technology businesses.

RESULTS

The results for the year are set out on page 14.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2022.

RESEARCH AND DEVELOPMENT

The Company does not perform any research and development activities.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the year from 1 July 2021 to the date of signing this report.

R P Bernstein
R H Grogan
Q C M Solt

The Directors have all occupied, or occupy, senior positions in UK and/or non-UK listed companies and have substantial experience in business. All of the Directors will submit themselves for re-election at the forthcoming Annual General Meeting in accordance with the Code.

Financial instruments

The company's principle financial instruments comprise cash, trade debtors and loans, investments and creditors. The main risks associated with these financial assets and liabilities are set out in the strategic report. There is a detailed analysis of financial instruments in note 15 to the financial statements.

Corporate governance

The Company is committed to a high standard of corporate governance and supports the principles laid down in the Combined Code 2010 (the "Code").

The board

The board of Directors (the "board") currently has three members, comprising the Non-Executive Chairman, Chief Executive, Director of investments and one further independent Non-Executive Director. All of the Directors bring strong judgement to the board's deliberations. The board is of sufficient size and diversity that the balance of skills and experience is considered to be appropriate for the requirements of the business. For the Non-Executive Directors who have served a term greater than nine years, a thorough review of their continued independence and suitability to continue as Directors is performed each year.

The Chairman and Chief Executive

The Directors confirm that the Company has complied with the requirement to be headed by an effective board and to lead and control the Company. The division of responsibilities between the Chairman of the board and the Chief Executive is clearly defined. The Chairman leads the board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business but has no involvement in the day-to-day business of the Company. The Chief Executive has direct charge of the Company on a day-to-day basis and is accountable to the board for the financial and operational performance of the Company.

Report of the Directors
for the Year Ended 30 June 2022

Role of the board

The board is collectively responsible for the proper management of the Company. The board has a formal schedule of matters reserved to it for decision making, including responsibility for the overall management, performance and strategy of the Company, approval of annual and interim results, material acquisitions and disposals, material agreements and assessment of its going concern position.

Board members are given appropriate documentation in advance of each board or committee meeting. This normally includes information on current trading of its investee companies and additional information on other matters where the board is required to reach a decision.

Board committees

There are a number of committees of the board to which various matters are delegated. Details are set out below:

Remuneration Committee

The Remuneration Committee consists of the two Non-Executive Directors of the Company. Richard Grogan acts as the Chairman. The committee is responsible for: (i) making recommendations to the board on the Company's policy on the remuneration of the Executive Directors; (ii) the determination of the remuneration packages for each of the Executive Directors including any compensation payments and benefits; and (iii) the determination of awards under the Company's employee share plans to the Executive Directors and other employees of the Company. The Chairman of the committee reports the outcome of its meetings to the board.

Nomination Committee

The Nomination Committee comprises Richard Grogan and Quentin Solt, who acts as its Chairman. The committee meets as necessary and is responsible for considering and recommending to the board persons who are appropriate for appointment as Executive and Non-Executive Directors. There is a formal, rigorous and transparent procedure for the appointment of new Directors to the board under which the Nomination Committee considers suitable candidates who are proposed either by existing board members or by an external search firm. Careful consideration is given to ensure proposed appointees have enough time available to devote to the role and that the balance of skills, knowledge and experience on the board is maintained. When the committee has found a suitable candidate, the Chairman of the committee will make a proposal to the whole board, which has retained responsibility for all such appointments. The Chairman of the committee reports the outcome of its meetings to the board.

Audit Committee

The Audit Committee comprises Quentin Solt as Chairman and Richard Grogan. No Non-Executive Director currently has recent and relevant financial experience as required by the Code and this matter is under consideration by the Nomination Committee as part of their review of the existing board composition. Senior financial employees of the Company are also invited to attend by the committee as appropriate.

The role of the Audit Committee is to monitor the financial reporting process, the integrity of the Company's annual financial statements and the statutory audit of the financial statements. It is also responsible for reviewing the Company's internal financial control and risk management systems and the Company's relationship with the external auditors.

Shareholder relations

The Committee is committed to maintaining good communications with shareholders. The Chairman and Chief Executive have dialogue with individual shareholders in order to develop an understanding of their views which are fed back to the board. Presentations are made to analysts, investors and prospective investors covering the annual results. The Company Secretary generally deals with questions from individual shareholders. All shareholders have the opportunity to ask questions to any of the Directors at the Company's Annual General Meeting each year. The Chairman will advise shareholders on proxy voting details.

Directors and Directors' interests

Report of the Directors
for the Year Ended 30 June 2022

The present membership of the board is set out below. All Directors served during the year and up to the date of signing the financial statements.

	Salary and fees £	Benefits in kind £	Bonus £	2022 Total £	2021 Total £
Executive Director					
Richard Philip Bernstein	282	-	-	282	215
Non-Executive Directors					
Richard Henry Grogan	13	1	-	14	6
Quentin Colin Maxwell Solt	28	-	-	28	9
	<u>323</u>	<u>1</u>	<u>-</u>	<u>324</u>	<u>230</u>

Save for the employee incentive arrangements, no Director had either during or at the end of the year a material interest in any contract which was significant in relation to the Company's business.

Directors' interests in shares

The interests of the Directors and their families in the shares of the Company at 30 June 2022 and 30 June 2021 were as follows:

	30 June 2022 Number of shares	30 June 2021 Number of shares	30 June 2022 Number of options	30 June 2021 Number of options
Richard Philip Bernstein	22,186,712	22,186,712	-	-
Quentin Colin Maxwell Solt	6,928,018	6,928,018	-	-
Richard Henry Grogan	-	-	-	-

Directors' Indemnities

The Company has entered into indemnities with each of the Directors. The indemnities are in the form of Qualifying Third Party Indemnity Provisions consistent with Section 234 of the UK Companies Act 2006 and have been in force throughout the year and to the date of signing the financial statements. These are available for inspection at the Company's registered office.

Internal control

The board is responsible for the Company's system of internal controls and reviewing its effectiveness. Internal control systems are designed to meet the particular needs of the company concerned and the risks to which it is exposed and, by their nature, can provide reasonable but not absolute assurance against material misstatement or loss.

The Executive Director monitors the Company's investments regularly, through receipt of financial reporting and frequent communication with investee management, including attendance at board meetings. Where possible, and prior to investing, the Company will seek to ensure that portfolio company Shareholder Agreements provide the Company with the right to receive timely monthly financial information.

The Executive Director also monitors the system of internal controls at investee companies and reviews their effectiveness. Whenever the Company deals in quoted investments, controls are placed on the execution of trades and all transactions are confirmed in writing on the same day as the trade is executed. The Chief Executive monitors all current asset investments on a daily basis.

The Company remains mindful to the requirements of the Bribery Act and no changes were deemed necessary to its existing policy during the year.

The Directors have considered whether it is appropriate to have an internal audit function. Given the scale of the Company, it is not considered appropriate at this time.

Charitable donations

Report of the Directors
for the Year Ended 30 June 2022

During the year to 30 June 2022 charitable donations were made of £nil (2021: £nil). There were no political donations.

Payment policy and practice

It is the Company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction and to abide by them. Company trade creditors represented 30 days (30 June 2021: 30 days) of related expenditure in the year. All investment transactions are settled as they become due.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and exposure to liquidity, credit and price risk.

The review of business is now disclosed in the Strategic Report on pages 6 and 7 of these financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The independent auditors, Lawrence Johns, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R P Bernstein - Director

29 March 2023

Opinion

We have audited the financial statements of Eurovestech Plc (the 'company') for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' 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 UK, including the FRC'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.

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.

Reporting on other information

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

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

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 Report of the Directors.

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page eight, 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 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.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, internal audit and the audit committee, including obtaining and reviewing supporting documentation concerning the company's policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team indicators of fraud.

As part of this discussion, we identified potential fraud risks in relation to:

- the completeness and accuracy of fixed asset investments, loans due and bank and cash.
- obtaining an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included the Companies Act 2006, Tax legislation, and Regulations from the construction industry.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the Financial Statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- completed focussed testing on fixed asset investments, loans due and bank and cash balances at 30 June 2022;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Report of the Auditors.

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 a Report of the Auditors 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.

Timothy O'Keeffe (Senior Statutory Auditor)
for and on behalf of Lawrence Johns
Registered Auditors
164 Field End Road
Eastcote
Middlesex
HA5 1RH

29 March 2023

Statement of Comprehensive Income
for the Year Ended 30 June 2022

	Notes	30.6.22 £	30.6.21 £
TURNOVER	3	26,982	46,671
Direct expenses		<u>1,319,785</u>	<u>4,596,785</u>
GROSS LOSS		(1,292,803)	(4,550,114)
Administrative expenses		<u>411,097</u>	<u>675,536</u>
		(1,703,900)	(5,225,650)
Other operating income		<u>10,173,608</u>	<u>11,951,000</u>
OPERATING PROFIT	5	8,469,708	6,725,350
Interest receivable and similar income		<u>360,143</u>	<u>467,286</u>
		8,829,851	7,192,636
Interest payable and similar expenses	6	<u>362,084</u>	<u>264,698</u>
PROFIT BEFORE TAXATION		8,467,767	6,927,938
Tax on profit	7	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		8,467,767	6,927,938
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>8,467,767</u>	<u>6,927,938</u>

The notes form part of these financial statements

Balance Sheet
30 June 2022

	Notes	30.6.22 £	£	30.6.21 £	£
FIXED ASSETS					
Tangible assets	8		-		-
Investments	9		<u>50,740,904</u>		<u>38,981,863</u>
			50,740,904		38,981,863
CURRENT ASSETS					
Debtors	10	304,675		275,368	
Cash at bank and in hand	11	<u>673,306</u>		<u>422,154</u>	
		977,981		697,522	
CREDITORS					
Amounts falling due within one year	12	<u>2,721,504</u>		<u>971,155</u>	
NET CURRENT LIABILITIES			<u>(1,743,523)</u>		<u>(273,633)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			48,997,381		38,708,230
CREDITORS					
Amounts falling due after more than one year	13		<u>12,000</u>		<u>2,414,400</u>
NET ASSETS			<u>48,985,381</u>		<u>36,293,830</u>
CAPITAL AND RESERVES					
Called up share capital	16		7,018,227		5,258,227
Share premium account	17		3,323,520		859,736
Capital redemption reserve	17		4,465,826		4,465,826
Other reserves	17		100,000		100,000
Retained earnings	17		<u>34,077,808</u>		<u>25,610,041</u>
SHAREHOLDERS' FUNDS			<u>48,985,381</u>		<u>36,293,830</u>

The financial statements on pages 15 to 31 were approved by the Board of Directors and authorised for issue on 29 March 2023 and were signed on its behalf by:

R P Bernstein - Director

Statement of Changes in Equity
for the Year Ended 30 June 2022

	Called up share capital £	Retained earnings £	Share premium account £
Balance at 1 July 2020	3,518,227	18,682,103	859,736
Changes in equity			
Issue of share capital	1,740,000	-	-
Total comprehensive income	-	6,927,938	-
Balance at 30 June 2021	<u>5,258,227</u>	<u>25,610,041</u>	<u>859,736</u>
Changes in equity			
Issue of share capital	1,760,000	-	2,463,784
Total comprehensive income	-	8,467,767	-
Balance at 30 June 2022	<u>7,018,227</u>	<u>34,077,808</u>	<u>3,323,520</u>
	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1 July 2020	4,465,826	100,000	27,625,892
Changes in equity			
Issue of share capital	-	-	1,740,000
Total comprehensive income	-	-	6,927,938
Balance at 30 June 2021	<u>4,465,826</u>	<u>100,000</u>	<u>36,293,830</u>
Changes in equity			
Issue of share capital	-	-	4,223,784
Total comprehensive income	-	-	8,467,767
Balance at 30 June 2022	<u>4,465,826</u>	<u>100,000</u>	<u>48,985,381</u>

Cash Flow Statement
for the Year Ended 30 June 2022

	Notes	30.6.22 £	30.6.21 £
Cash flows from operating activities			
Cash generated from operations	1	(511,600)	(1,639,328)
Interest paid		(362,084)	(264,698)
Amounts owed by participating interests		(95,570)	-
Net cash from operating activities		<u>(969,254)</u>	<u>(1,904,026)</u>
Cash flows from investing activities			
Purchase of investments		(2,561,315)	-
Interest received		360,143	467,286
Net cash from investing activities		<u>(2,201,172)</u>	<u>467,286</u>
Cash flows from financing activities			
New loans in year		-	2,906,000
Loan repayments in year		(802,400)	(2,795,000)
Amount introduced by directors		194	-
Amount withdrawn by directors		-	(25,000)
Share issue		4,400,000	1,740,000
Share premium		(176,216)	-
Net cash from financing activities		<u>3,421,578</u>	<u>1,826,000</u>
Increase in cash and cash equivalents		<u>251,152</u>	<u>389,260</u>
Cash and cash equivalents at beginning of year	2	422,154	32,894
Cash and cash equivalents at end of year	2	<u><u>673,306</u></u>	<u><u>422,154</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 June 2022

1. **RECONCILIATION OF PROFIT BEFORE TAX ON LOSS TO CASH GENERATED FROM OPERATIONS**

	30.6.22 £	30.6.21 £
Profit before tax on loss	8,467,767	6,927,938
Depreciation charges	-	931
Revaluations and impairments	(9,197,726)	(8,220,000)
Movement on listed investments	-	19
Finance costs	362,084	264,698
Finance income	(360,143)	(467,286)
	(728,018)	(1,493,700)
Decrease in trade and other debtors	66,263	221,052
Increase/(decrease) in trade and other creditors	150,155	(366,680)
Cash generated from operations	(511,600)	(1,639,328)

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2022

	30.6.22 £	1.7.21 £
Cash and cash equivalents	673,306	422,154

Year ended 30 June 2021

	30.6.21 £	1.7.20 £
Cash and cash equivalents	422,154	32,894

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.7.21 £	Cash flow £	At 30.6.22 £
Net cash			
Cash at bank and in hand	422,154	251,152	673,306
	422,154	251,152	673,306
Debt			
Debts falling due within 1 year	(803,600)	(1,600,000)	(2,403,600)
Debts falling due after 1 year	(2,414,400)	2,402,400	(12,000)
	(3,218,000)	802,400	(2,415,600)
Total	(2,795,846)	1,053,552	(1,742,294)

Notes to the Financial Statements
for the Year Ended 30 June 2022

1. **COMPANY INFORMATION**

Eurovestech Plc is a limited company, limited by shares, domiciled and incorporated in England and Wales. The registered office is 164 Field End Road, Eastcote, Middlesex HA5 1RH.

2. **ACCOUNTING POLICIES**

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, however some financial assets have been modified by revaluation to be held at fair value through the profit and loss. The principal accounting policies adopted are set out below.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT.

Tangible assets

Depreciations is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-	25% on cost
Computer equipment	-	25% on cost

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Financial assets consist of loans and receivables and investments at fair value through profit or loss.

Financial assets are classified into specific categories. The classification depends on the nature and purpose of the financial assets and is determined at the point of recognition. Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Investments - non-current

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, non-current investments are designated at fair value through profit or loss on initial recognition. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy and investment information provided to the board of Directors.

De-recognition of investments occurs when the rights to receive cashflows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Fair value represents the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In estimating fair value, the Directors use a methodology which is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio.

Methodologies are applied consistently from one year to another except where a change results in a better estimate of fair value. Only where fair value cannot be reliably measured is cost used as the basis of valuation.

The principal methodologies applied in valuing unlisted investments include the following:

- earnings multiple;
- price of recent investment; and
- net assets.

In applying the earnings multiple methodology, the Directors apply a market-based multiple that is appropriate and reasonable to the sustainable earnings of the Company. In the majority of cases the enterprise value of the underlying business is derived by the use of a multiple of earnings before interest and tax applied to current year's earnings where these can be forecast with a reasonable degree of certainty and are deemed to represent the best estimate of maintainable earnings. Where this is not the case, historic earnings will generally be used in their place. For companies which are early stage or not profitable, a multiple of revenue is used as the key measurement.

Listed investments held for long-term gain are valued on the basis of the bid price at the year-end date.

Investments - current

2. ACCOUNTING POLICIES - continued

Current asset investments are classified as held for trading and are measured at fair value with gains and losses arising on their fair value recorded in the Profit and Loss Account. Listed current investments are stated at bid price at the year-end date. Convertible loan notes are classified as loans and receivables and recorded at fair value.

Investments - derivatives

Where the company invests in Contract for difference investments, the investments are not held as assets as they are never actually owned. Any gains and losses arising are recorded in the Profit and Loss Account less any commission, interest charges, dividend adjustments and fees.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Trade debtors

Trade debtors are recognised and carried at the original invoice amount less an allowance for uncollectable amounts. An estimate of uncollectable amounts is made when collection of the full amount is no longer probable. Uncollectable amounts are written off to the Profit and Loss Account when identified.

Fair value estimation

The Company classifies financial assets using a fair value hierarchy that reflects the significance of the inputs used in making the related fair value measurements. The level in the fair value hierarchy within which a financial asset is classified is determined on the basis of the lowest level input that is significant to that asset's fair value measurement. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices in active markets;
- Level 2 - Inputs other than quoted prices that are observable, such as prices from market transactions; and
- Level 3 - One or more inputs that are not based on observable market data.

Basic financial liabilities

The Company's financial liabilities consist of trade and other creditors and other loans.

Financial liabilities are recognised when the Company becomes a party to the contractual arrangements of the instrument. Liabilities are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost less settlement payments, using the effective interest method, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, unless it is not material.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Where the contractual obligations of financial instruments, including share capital, are equivalent to a similar debt instrument, those instruments are classed as financial liabilities. Financial liabilities are classified as creditors in the Balance Sheet.

Where the contractual terms of issued shares do not have any terms meeting the definition of a financial liability then this is classified as an equity instrument.

Derecognition of financial liabilities

Financial liabilities are derecognised only when the company's obligations are discharged, cancelled, or they expire.

Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the dates of the transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates and any exchange gains and losses are recorded in the Profit and Loss Account.

2. ACCOUNTING POLICIES - continued

Borrowing costs

All borrowing costs are expensed to the Profit and Loss Account as incurred.

Exceptional items

Exceptional items are those that the Directors consider are of unusual size or nature that they are required to be separately disclosed to allow the user of the financial statements to understand the underlying performance of the Company.

Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is written down to its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use and is determined for an individual asset. If the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount of the cash-generating unit to which the asset belongs is determined. Discount rates reflecting the asset specific risks and the time value of money are used for the value in use calculation.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation and that amount can be reasonably estimated. Where the Company expects all or some of the obligation to be reimbursed, the reimbursement is recognised as a separate asset to the extent that it is virtually certain to be reimbursed. The expense relating to any provision is presented in the Profit and Loss Account net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the year-end date. If material, provisions are determined by discounting the expected future cashflows using rates that reflect current market assessments of the time value of money.

Leases

For finance leases, where the Company bears substantially all the risks and rewards related to ownership of the leased asset, the related asset is capitalised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Finance costs are charged to the Profit and Loss Account over the period of the lease in accordance with the capital balance outstanding.

Operating leases, where the lessor retains substantially all the risks and rewards of ownership, are charged to the Profit and Loss Account on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

Long term incentive employee compensation

The Company operates a profit sharing scheme for the remuneration of its Directors and employees. Due to the long-term nature of this incentive scheme, the Company's future liabilities are contingent liabilities that are uncertain in their timing and amount and as such are excluded from the balance sheet of these financial statements.

Equity instruments

Equity instruments issued by the company are recorded as the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Issued share capital

Ordinary shares are classified as equity.

Share premium

The share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of the expenses of the share issue.

2. ACCOUNTING POLICIES - continued

Capital redemption reserve

The capital redemption reserve represents share premium that has been redeemed by the Company.

Other reserve

The other reserve represents equity-settled share-based employee expense until such share options are exercised.

Retained earnings

Retained earnings include all current and prior year results for the Company.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Dividends

Final equity dividends to the shareholders of Eurovestech Plc are recognised in the year that they are approved by shareholders. Interim equity dividends are recognised in the period that they are paid.

Dividends receivable are recognised when the Company's right to receive payment is established.

Use of key accounting estimates and judgements

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Critical accounting assumptions and estimates

(a) The valuation of non-current investments. Valuation of non-current investments requires a number of judgements including assessing the appropriate valuation multiples based on the stage of development of the portfolio companies and relevant industry comparators. Should the valuation show a diminution of value, a decision as to whether an impairment occurred is carried out

A number of factors are involved and include the likelihood of prolonged reduction in value, the overall economic outlook and industry or sector specific factors.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

2. **ACCOUNTING POLICIES - continued**

(b) Accounting for the value of the Executive Directors' long-term incentive requires judgement over the period of ownership of the related investments, expected overall profit on disposal and the effective rate of interest.

Going concern

The company does not trade as such and its value is in its investee companies. The company has a strong balance sheet and cash position with an increase in shareholders funds from £36.3m to £49.0m. The company raised £4.4m in December 2021 via an equity issue to existing shareholders to help fund ongoing operations and future equity issues are a possibility along with releasing equity holdings in investee companies to see a return on investment. On 20 March 2023, the company agreed an extension of its loan with Locksash Company to 31 March 2024. Accrued interest has been added to the loan principle and a new rate of 15% has been agreed.

As a result, the directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in existence for at least 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

3. **TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	30.6.22	30.6.21
	£	£
Consultancy	20,000	20,000
Other income	315	-
Government grants (Covid 19)	6,667	26,671
	<u>26,982</u>	<u>46,671</u>

An analysis of turnover by geographical market is given below:

	30.6.22	30.6.21
	£	£
United Kingdom	26,982	46,671
	<u>26,982</u>	<u>46,671</u>

Turnover is for non-executive fees charged to an investee company. The company does not trade as such and its main reported revenue is from the uplift in fixed asset investment values as reported in other operating income.

All turnover is net of VAT.

4. **EMPLOYEES AND DIRECTORS**

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

	30.6.22	30.6.21
	£	£
	388,384	300,022
	42,809	35,418
	2,913	2,777
Directors'	<u>434,106</u>	<u>338,217</u>

The average number of employees during the year was as follows:

	30.6.22	30.6.21
Directors	3	3
Administration	<u>2</u>	<u>2</u>
	<u>5</u>	<u>5</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	30.6.22	30.6.21
	£	£
Other operating leases	-	2,484
Depreciation - owned assets	-	931
Auditors' remuneration	<u>20,000</u>	<u>20,000</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.6.22	30.6.21
	£	£
Interest payable	<u>362,084</u>	<u>264,698</u>

7. **TAX ON LOSS**

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 June 2022 nor for the year ended 30 June 2021.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

7. **TAX ON LOSS - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.22 £	30.6.21 £
Profit before tax	<u>8,467,767</u>	<u>6,927,938</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,608,876	1,316,308
Effects of:		
Expenses not deductible for tax purposes	185,418	873,389
Income not taxable for tax purposes	(1,932,986)	(2,270,690)
Depreciation in excess of capital allowances	-	177
Tax losses	<u>138,692</u>	<u>80,816</u>
Total tax charge	<u>-</u>	<u>-</u>

8. **TANGIBLE ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2021 and 30 June 2022	<u>12,008</u>	<u>37,613</u>	<u>49,621</u>
DEPRECIATION			
At 1 July 2021 and 30 June 2022	<u>12,008</u>	<u>37,613</u>	<u>49,621</u>
NET BOOK VALUE			
At 30 June 2022	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2021	<u>-</u>	<u>-</u>	<u>-</u>

9. **INVESTMENTS**

	Shares in group undertakings £
COST OR VALUATION	
At 1 July 2021	38,981,863
Additions	2,561,315
Revaluations	10,173,608
Impairments	(975,882)
At 30 June 2022	<u>50,740,904</u>
NET BOOK VALUE	
At 30 June 2022	<u>50,740,904</u>
At 30 June 2021	<u>38,981,863</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

9. INVESTMENTS - continued

Cost or valuation at 30 June 2022 is represented by:

	Shares in group undertakings £
Valuation in 2015	(3,870,229)
Valuation in 2016	9,630,794
Valuation in 2017	(2,613)
Valuation in 2018	(3,617,395)
Valuation in 2019	868,320
Valuation in 2020	(9,509,870)
Valuation in 2021	8,220,000
Valuation in 2022	9,197,726
Cost	39,824,171
	<u>50,740,904</u>

During the year there was a fixed asset investment addition in Toluna Holdings Limited of £2,561,315. There were no disposals during the year.

The Company's investments in associated companies at 30 June 2022 were as follows;

Name of Investment	Percentage interest in ordinary shares at 30 June 2022 (%)	£	Fair value at 30 June 2022
Audionamix SA	99.90		624,118
Magenta Corporation Limited	45.84		662,388
Maxoptra Limited	34.81		6,192,699
Lognet Information Systems Limited	20.35		2,152,013
VizEat Limited	21.80		5,062,703
Toluna Holdings Limited	13.40	(12.29% - Oct'22)	35,985,120
PierianDX	2.00		50,863
Supponor Limited	0.09		11,000
Investments carrying value			<u>50,740,904</u>

The registered offices of the investments are as follows;

Name of Investment	Registered Office Address
Audionamix SA	164 Field End Road, Eastcote, Middlesex
Magenta Corporation Limited	Third Floor, 8 Golden Square, London
Maxoptra Limited	Third Floor, 8 Golden Square, London
Lognet Information Systems Limited	42-50 Hersham Road, Walton-On-Thames, Surrey
VizEat Limited	Acre House, 11/15 William Road, London
Toluna Holdings Limited	Ealing Cross 85 Uxbridge Road, Ealing, London
PierianDx	77 Maryland Plaza, St. Louis, Missouri, USA
Supponor Limited	12 Hammersmith Grove, Suite 3125, London

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

10. DEBTORS

	30.6.22	30.6.21
	£	£
Trade debtors	18,275	6,275
Amounts owed by participating interests	95,570	-
Other debtors	189,425	220,624
Prepayments and accrued income	1,405	48,469
	<u>304,675</u>	<u>275,368</u>

The fair value of trade and other debtors approximates to their carrying value.

11. CASH AT BANK AND IN HAND

Cash at bank and on call at the year end was £673,306 (2021: £422,154).

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.22	30.6.21
	£	£
Other loans (see note 14)	2,403,600	803,600
Trade creditors	5,064	8,240
Taxation and social security	7,475	8,698
Other creditors	58,616	52,807
Directors' current accounts	904	710
Accruals and deferred income	245,845	97,100
	<u>2,721,504</u>	<u>971,155</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.22	30.6.21
	£	£
Bank loans (see note 14)	<u>12,000</u>	<u>2,414,400</u>

14. LOANS

An analysis of the maturity of loans is given below:

	30.6.22	30.6.21
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>2,403,600</u>	<u>803,600</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>12,000</u>	<u>2,414,400</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

14. **LOANS - continued**

During the year both loans taken out with private individuals were repaid. No new loans were taken in the year.

The key terms of the outstanding loans at 30 June 2022 are as follows;

On 1 April 2021, a loan of £2,400,000 with Locksash Company was secured with a charge over Eurovestech's shareholdings in Maxoptra Limited (113,302 shares) and Lognet Information Systems Limited (6,759,240 shares), at an interest rate of 12.0% payable quarterly. The loan is for a period of 24 months from drawdown. On 20 March 2023, it was agreed to extend the repayment date of the loan for 12 months to 31 March 2024 at a revised interest rate of 15% payable quarterly. Any unpaid interest is added to the principal and interest is charged thereon.

In May 2020, a COVID 19 Government bounce back loan of £18,000 was taken out. The key terms are that the Government guarantees 100% of the loan and there were no fees or interest to pay for the first 12 months of the loan. After 12 months the interest rate is 2.5% per annum. Repayments on the loan commenced in November 2021.

15. **FINANCIAL INSTRUMENTS**

Categories of financial instrument

	30.6.22	30.6.21
	£	£
Financial Assets		
Cash and cash equivalents	673,306	422,154
Loans and debtors	286,400	226,899
Financial assets at fair value through profit and loss - non-current	50,740,904	38,981,863
Financial liabilities		
Borrowings	2,215,600	3,218,000
Creditors	64,584	61,757
Fair Value of financial assets		
Unlisted equity securities	50,740,904	38,981,863

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.22	30.6.21
			£	£
701,822,727	Ordinary	£0.01	<u>7,018,227</u>	<u>5,258,227</u>

During the year 176,000,000 ordinary shares with a par value of £0.01 each were issued for cash of £4,400,000.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

17. RESERVES

	Retained earnings £	Share premium account £	Capital redemption reserve £	Other reserves £	Totals £
At 1 July 2021	25,610,041	859,736	4,465,826	100,000	31,035,603
Profit for the year	8,467,767				8,467,767
Cash share issue	-	2,463,784	-	-	2,463,784
At 30 June 2022	34,077,808	3,323,520	4,465,826	100,000	41,967,154

At 30 June 2022, the company's distributable reserves were £2,583,623 (2021: £3,313,582). All gains which remain unrealised at the balance sheet date are not distributable.

18. CONTINGENT LIABILITIES

In 2008, the Company entered into shareholder approved employee incentive arrangements with the Company's two Executive Directors. These incentive arrangements provide for each of the Executive Directors to receive 7.5 per cent of the net profits (after disposal costs) made by the Company in relation to its investments above a 5 per cent internal rate of return. In 2012, the incentive arrangements lapsed relating to one executive director. Given the significant degree of estimation in respect of the calculation of the amount to be paid, the timing of its payment and the likelihood of losses on the investments the amount of obligation cannot be measured with sufficient reliability and no provision is therefore recognised.

19. CAPITAL COMMITMENTS

The Company had no capital commitments at 30 June 2022 (2021: £nil).

20. RELATED PARTY DISCLOSURES

During the year, the Company charged Toluna Holdings Limited £20,000 (2021: £20,000) in fees for Non-Executive Directors' services and re-charged expenses of £nil (2021: £33). At 30 June 2022, £18,000 (2021: £6,000) was due from Toluna Holdings Limited, inclusive of vat. Toluna Holdings Limited is one of Eurovestech Plc's investee companies.

During the year, the Company provided additional loan funding of €70,000 (£59,330) (2021: €498,853 (£445,786)) to Audionamix SA and charged interest of €218,830 (£185,345) (2021: €478,774 (£420,000)) to Audionamix SA. At 30 June 2022, €78,254 (£60,219) (2021: €977,627 (£865,785)) was due from Audionamix SA. Last year, the directors decided to provide against the year end balance due from Audionamix SA to reduce the balance due to £nil. Audionamix SA is a Eurovestech Plc investee company.

During the year, the Company provided loan funding of £35,000 (2021: £nil) to Audionamix Inc and charged interest of £351 (2021: £nil) to Audionamix Inc. At 30 June 2022, £35,351 (2021: £nil) was due from Audionamix Inc. Audionamix Inc is indirectly a Eurovestech Plc investee company as Audionamix SA owns Audionamix Inc.

At the Balance Sheet date, included within other debtors, is an amount owed by a non-executive director of £12,112 (2021: £22,698).

At the Balance Sheet date, included within creditors, is an amount owed to a director of £904 (2021: £710).

The Company has a profit sharing agreement with its Executive Directors. Refer to note 18 for further details.

There were no other related party transactions.

21. POST BALANCE SHEET EVENTS

In March 2023, the company agreed with Locksash Company to extend the repayment date of a £2.4m (plus interest) loan to 31 March 2024.

22. FINANCIAL STATEMENTS

Copies of these financial statements are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ (www.companieshouse.gov.uk) and from the Eurovestech PLC website (www.eurovestech.co.uk).

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