



EIGHT PEAKS GROUP

(Eight Peaks Group Limited, formerly Eight Peaks Group PLC)

Annual Report & Accounts
Year Ended 31 March 2020
Company Number: 3920241



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Company Information

| | | |
|---------------------|---|--|
| Registered Office | 6 Vicarage Road Edgbaston Birmingham B15 3ES | |
| Company Address | 6 Vicarage Road Edgbaston Birmingham B15 3ES | |
| Directors | Zafarullah Karim Thomas Werner Reuner Lord Nicholas Monson | Executive Chairman Executive Director Non-Executive Director |
| Company Number | 3920241 (England and Wales) | |
| Independent Auditor | Crowe U.K. LLP Chartered Accountants 55 Ludgate Hill London EC4M 7JW | |
| Solicitors | 48 Keystone Law Limited Chancery Lane London WC2A 1JF | |
| Registrars | Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR | |

Executive Chairman's Statement

Overview

The year under review has been significant for Eight Peaks Group Limited ("Eight Peaks" or the "Company").

On 16 May 2020, shareholders voted to cancel the listing of the Company's shares on AIM and to convert the company from a "PLC" to a "Limited" company. These events occurred on 31 May 2019 and 13 June 2019, respectively. An alternative share trading facility was put in place with Asset Match Ltd. ("Asset Match"). The Asset Match facility had no shares traded on it from when it was put in place to July 2020. Consequently, to reduce costs further, it was discontinued, subsequent to the year end, in August 2020. Shareholders wishing to trade in shares can continue to do so by contacting the Company.

As at 31 March 2020, (the "BSD"), as a result of the COVID 19, public markets for shares and commodities were significantly lower compared to just a month earlier and a few months after. Nonetheless, in determining the holding value of investments at the BSD, the state of the markets at the BSD has to be considered. This has negatively impacted certain holding values.

During the year under review, Eight Peaks made a net loss on fair value of investments of £1,233,000 (2019: loss of £1,337,000). Administrative expenses fell substantially to £206,000 (2019: £462,000). Overall, operating loss for the year was £1,439,000 (2019: loss of £1,865,000). Finance charges and tax were £nil (2019: £nil), and net loss for the year was £1,439,000 (2019: loss of £1,865,000).

As at the BSD, Eight Peaks' investments (non-current asset investments, convertible loans and current asset investments) were £4,016,000 (2019: £5,239,000). Trade receivables and other receivables due within one year were £11,000 (2019: £29,000). Cash amounted to £63,000 (2019: £295,000). Current liabilities were £22,000 (2019: £57,000). Investments (fixed asset investments, a loan note and current asset investments) were £4,016,000 (2019: £5,239,000). Overall, net and total assets were £4,069,000 (2019: £5,508,000) and £4,091,000 (2019: £5,565,000).

Investments

Virtual Stock Holdings Limited ("VS"): VS's technology allows information to flow between fragmented systems without disruption to existing IT. It is an alternative to traditional systems integrations, and has been applied to procurement and logistics in the retail and healthcare sectors. As at the BSD, Eight Peaks ascribed a value of £2,142,000 to its stake in VS (2019: £3,335,000).

BlockAPT Limited ("BlockAPT") (previously SOARX limited): BlockAPT provides an automated integration platform for disparate cyber security components that allows them to be used seamlessly and intelligently through a single pane of glass interface. As at the BSD, Eight Peaks ascribed a value of £1,048,000 to its stake in BlockAPT (2019: £534,000).

Crowd for Angels (UK) Limited ("CfA"): Crowd for Angels is a UK crowdfunding platform. As at the BSD, Eight Peaks ascribed a value of £360,000 to its stake in CfA (2019: £360,000).

Dunraven Resources PLC ("Dunraven"): Dunraven is a North Africa-focused oil and gas exploration and development company. As at the BSD, Eight Peaks ascribed a value of £342,000 to its stake in Dunraven (2019: £461,000).

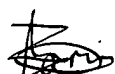
IBS Corporation ("IBS"): IBS has a licence to establish a banking services platform to provide a range of financial services to corporates and high net worth clients. As at the BSD, Eight Peaks ascribed a value of £112,000 to its stake in IBS (2019: £224,000).

Medgold Corporation ("Medgold"): Medgold is a TSX-V listed exploration company targeting gold-silver projects in Southern Serbia. As at the BSD, Eight Peaks ascribed a value of £8,000 to its stake in Medgold (2019: £18,000).

Amedeo Resources PLC ("Amedeo"): Amedeo is an investment company. Its principal investment is a stake in an offshore marine vessel yard located on China's East Coast. Amedeo also has a stake in a commodities broker. As at the BSD, Eight Peaks ascribed a value of £4,000 to its stake in Amedeo (2019: £7,000).

Outlook

The Company continues to pursue its strategy of investing in near start up and small companies that are in sectors exhibiting long term growth and once invested assisting the companies to realise their potential. Returns are expected to be generated on exits, which may be IPOs or trade sales. The Company expects realisations in the medium to long term. Having delisted and converted from a PLC to a Limited company, administrative costs are expected to continue to fall, and these savings can be applied to the business.



Zafar Karim
Executive Chairman
23 December 2020

Strategic Report

The Directors present their Strategic Report for the year ended 31 March 2020.

Principal Activities and Review of the Business

Eight Peaks is a proactive investment company that focuses on making investments in and assisting companies that exhibit the potential to generate returns of many multiples through capital appreciation. Eight Peaks' investment policy is set out below.

Eight Peaks makes investments in sectors including technology, energy and natural resources, specifically in businesses with the potential for high capital appreciation. In certain cases, investments may be made in anticipation of receiving dividends.

Investments are structured primarily using equity, although debt or derivatives may be used where appropriate. In cases in which leverage is used, it is expected to be limited to 100 percent of the gross asset value of Eight Peaks at the time of investment. Dependent on the nature and size of the investments, Eight Peaks may take a passive or active role in the investments. Typically, investments will be held for between 2 and 7 years but may be held for other periods as appropriate.

Eight Peaks intends to deliver shareholder returns through capital appreciation and income distributions.

Given the nature of Eight Peaks' business activities, Key Performance Indicators are Eight Peaks' net and total assets. As at the year end, these were £4,069,000 (2019: £5,508,000) and £4,091,000 (2019: £5,565,000).

The key business highlights of the year are discussed in the review of the business during the year given in the Executive Chairman's Statement on page 2.

Principal Risk Factors and Uncertainties

The principal risks and uncertainties facing the Company are those associated with its investments as described below.

While Eight Peaks proactively assists its investee companies to achieve their goals, Eight Peaks does not exercise control over the investee companies, although it may have varying degrees of influence over the companies as a result of, at one end, having board seats, and at the other end, having access to the managements of the investee companies. There can be no certainty that the investee companies will achieve their goals, nor indeed that Eight Peaks may be able to influence the achievement of such goals.

Typically, Eight Peaks invests in unlisted companies, although it may maintain its investments in the companies subsequent to them becoming listed. While the investee companies are unlisted, there can be no certainty that Eight Peaks will be able to realise its investments. In the case of listed investments, while it can be easier to realise such investments, realisation is dependent on sufficient liquidity being available. There can be no certainty that sufficient liquidity would be available when Eight Peaks wishes to make such realisations.

As discussed above, Eight Peaks' strategy is to build shareholder value making and assisting investments. While Eight Peaks has already made investments, in order to make new investments, Eight Peaks may need to sell existing investments or to raise equity or debt funding. There can be no certainty that Eight Peaks would be able to sell existing investments to raise funds nor may it be able to raise equity or debt funds.

The Directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance, the Company's systems are designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In carrying out their responsibilities, the Directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken, and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control. Risk management related to financial instruments is set out in note 15 in the financial statements.

In addition to the general risks sets out above, there are business specific risks associated with each of the investments.

VS supplies a SaaS solution in the field of logistics, inventory and data management. While VS's technology may currently be considered relevant and has been adopted by customers, there can be no certainty that VS will win further customers, nor that its current contracts will be renewed. In addition, there can be no certainty that its technology will remain relevant.

BlockAPT operates in the field of cybersecurity. It develops, markets and supplies the BlockAPT Platform and associated consultancy services. BlockAPT, as a business, is in the early stage of its development. There can be no certainty that it will be successful in marketing and supplying the BlockAPT Platform or the associated consultancy services. In addition, while BlockAPT technology may currently be considered cutting edge, there can be no certainty that its technology will not be superseded by superior technology.

Dunraven is an oil and gas exploration and production company. While its principal asset is promising, there can be no certainty that Dunraven will be able to develop its assets nor indeed realise proceeds or profit from doing so.

CfA owns and operates a crowdfunding platform. Its business is to attract traffic to its website and platform, increase its database of active investors, and successfully raise funding for the projects listed on its platform. While Crowd for Angels has grown, there can be no certainty that it will continue to do so.

IBS received authorities to operate in April 2018. It is, however, yet to hire staff and establish funding lines, including raise operational funding. There can be no certainty that it will achieve any of these objectives.

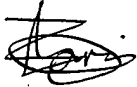
Medgold is a gold exploration licence and project development company with a focus on Serbia. As such is subject to exploration risk and appreciation in its value is subject to it realising value from its assets. Medgold is listed on the TSX-V market. Realising any value from the holding is dependent, amongst other things, on liquidity in its shares.

Amedeo has two investments: an offshore vessel construction joint venture ("Yard") and a commodities broker ("Broker"). The performance of the Yard is dependent on demand for the types of vessels the Yard constructs and its ability to obtain credit to fund the builds. The Broker amalgamates disparate supplies of ferrous and related ores and metals, and then sells them into East Asia, primarily on a spot or short term contract basis. Its performance depends on its ability to source such supplies and then find buyers for them. It is exposed to all the risks associated with such operations.

The Covid 19 pandemic has not had a significant, immediate impact on the company's operations. The Directors have put in place systems and protocols to promote the health and safety of employees and allow the company to continue to operate as normal as possible when restrictions are imposed. The directors are aware that if the current situation becomes prolonged or if further tighter restrictions are imposed then this may change. In addition to the impact on the Company there is the same risk to investee companies.

Outlook

See Executive Chairman's Statement for details on page 2.



By order of the Board
Zafar Karim
Executive Chairman
23 December 2020

Directors' Report

The Directors present their report and the financial statements for the year ended 31 March 2020.

Principal Activities and Review of Business

The principal activity of the Company is that of an investment company. A review of the business is given in the Executive Chairman's Statement on page 2.

Future Developments

The Executive Chairman's Statement, on page 2 gives details of the coming year and outlook for the future.

Risk and Uncertainties

The principal risks and uncertainties facing the Company during the year are those relating to the underlying performance of its investments. Other risks and uncertainties are as set out in note 15 to the financial statements.

Results and Dividends

The results for the year are set out in the profit and loss account. For the year ended 31 March 2020, the Company made a net loss of £1,439,000 (2019: net loss of £1,865,000). The Directors are precluded from the payment of a dividend as a result of the accumulated losses of the Company. A commentary on the reported results is provided in the accompanying Executive Chairman's Statement on page 2. Key performance indicators are disclosed in the Strategic Report.

Going Concern

The Company's business activities, together with the financial position of the Company and the factors likely to affect its future development, performance and position are set out in the Executive Chairman's Statement on page 2.

The Company had cash administrative costs for the year ended 31 March 2020 of c.£206k. A majority of these costs related to the Company being listed on the AIM and various corporate actions that the Company took during the year ended 31 March 2020.

The Company delisted from AIM on 31 May 2019. Consequently, cash costs fell substantially, and as the tail end of costs associated with being listed peters out, are expected to fall even further. For the year to 31 March 2019 (listed during the entire year), cash costs were c.£398k. For the year to 31 March 2020 (listed for two months of the year), they fell substantially to c.£206k. For the next 12 months, cash costs are expected to be in the region of £26,000.

As at 22 December 2020, the Company had c.£28,000 of cash and c.£7,500 of listed investments. The listed investments may be realised for cash at short notice. The Company expects receipts of a rent deposit refund of c.£4,500 and a payment for rent of c.£17,000. In addition, the Company is conducting a placing in which it has received executed subscription and a commitment amounting to £25,500. Including outstanding subscription letters, the amount rises to £30,000. Together, these give the Company, liquid resources of c.£82,500-£87,000

The Company has immediate expected outgoings of c.£6,000 (accounting services) and c.£10,000 (audit services) leaving at least c.£65,500 of liquid resources compared to the expected cash costs for the next 12 months of £26,000. Further, the directors will, if necessary, defer drawing their non-realisation related remuneration. This would result in an additional saving of c.£6,000.

The Covid 19 pandemic has not had a significant, immediate impact on the company's operations. The Directors have put in place systems and protocols to promote the health and safety of employees and allow the company to continue to operate as normal as possible when restrictions are imposed. The directors are aware that if the current situation becomes prolonged or if further tighter restrictions are imposed then this may change. In addition to the impact on the Company there is the same risk to investee companies.

Based on the above, the directors believe that the Company currently has more than sufficient resources to be considered a going concern from the date of this report.

Directors

The following were directors of the Company during the financial year under review and up to the date of the signing of these financial statements:

Zafarullah Karim Zafarullah (Zafar) Karim, 52, brings three decades of business and banking experience to the Company. He has served as a Board member for several companies. From 1994 to 2002, Zafar worked in investment banking at NM Rothschild. He started his career in 1990 in the investment banking at Salomon Brothers. Zafar completed the Blockchain Course from the Said Business School, University of Oxford. He also has an M.A. in economics from the University of Cambridge.

Thomas Werner Reuner Thomas (Tom) Werner Reuner, 56, is an experienced strategy consultant. His deep understanding of the dynamics of the IT and telecommunications sectors comes from senior positions with IDC in Germany and with Gartner,

NelsonHall and KPMG Consulting in the United Kingdom. Tom's expertise lies in investment research, evaluating and formulating business and IT strategy and analysing technology adoption. Tom has a PhD from the University of Göttingen in Germany.

Lord Nicholas Monson Lord Nicholas Monson, 65, has significant experience as an investor relations adviser to listed companies in several sectors, including bio tech, engineering, natural resources, energy, technology and finance. His range of activities covers communications and helping to raise equity and debt. He is also an author and has been a publisher, non-executive Chairman of a listed company and CEO of a charity.

Subsequent Events

See note 16 for details regarding subsequent events.

Financial Risk Management Policies

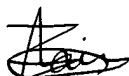
Information on the use of financial instruments by the Company and its management of financial risk is disclosed in note 15 to the financial statements.

Statement as to Disclosure of Information to the Auditor

The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that he 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 it has been communicated to the auditor.

Auditor

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.



By order of the Board.
Zafar Karim
Executive Chairman
23 December 2020

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU 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 those financial statements, the Directors are required to:

- a. Select suitable accounting policies and then apply them consistently;
- b. Make judgements and accounting estimates that are reasonable and prudent;
- c. State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. 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. They 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.

They are further responsible for ensuring that the Strategic Report and the Directors' Report and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Eight Peaks Group Limited

Opinion

We have audited the financial statements of Eight Peaks Group Limited for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes of equity, the statement of cashflows and 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;

- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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.

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 by the company, 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, 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.

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.



John Glasby
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill, London, EC4M 7JW

23 December 2020

Statement of Comprehensive Income
for the year ended 31 March 2020

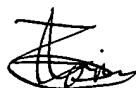
| | 2020 | 2019 |
|--|---------|---------|
| Note | £'000 | £'000 |
| Net loss on fair value investments | (1,233) | (1,337) |
| Administrative expenses | (206) | (462) |
| Share based payment charge | - | (66) |
| Operating (loss)/profit | (1,439) | (1,865) |
| (Loss)/profit on ordinary activities before interest and tax | (1,439) | (1,865) |
| Interest payable | - | - |
| (Loss)/profit on ordinary activities before taxation | (1,439) | (1,865) |
| Taxation | 7 - | - |
| (Loss)/profit for the year and total comprehensive expense | (1,439) | (1,865) |

All amounts derive from continuing operations.

Statement of Financial Position
as at 31 March 2020

| | Note | 2020 £'000 | 2019 £'000 |
|--|------|---------------|---------------|
| Non-current assets | | | |
| Property, plant and equipment | 8 | 1 | 2 |
| Investee convertible loan note | 11 | - | 300 |
| Investments held at fair value through profit and loss | 9 | 4,008 | 4,921 |
| Total non-current assets | | <u>4,009</u> | <u>5,223</u> |
| Current assets | | | |
| Trade and other receivables | 11 | 11 | 29 |
| Investments held at fair value through profit and loss | 9 | 8 | 18 |
| Cash and cash equivalents | 10 | 63 | 295 |
| Total current assets | | <u>82</u> | <u>342</u> |
| Total assets | | <u>4,091</u> | <u>5,565</u> |
| Equity and liabilities | | | |
| Share capital | 13 | 3,851 | 3,851 |
| Share premium | | 9,800 | 9,800 |
| Share warrant and option reserve | | 359 | 359 |
| Accumulated losses | | (9,941) | (8,502) |
| Equity attributable to equity holders | | <u>4,069</u> | <u>5,508</u> |
| Current liabilities | 12 | 22 | 57 |
| Total equity and liabilities | | <u>4,091</u> | <u>5,565</u> |

The financial statements on pages 10 to 25 were approved by the Board of Directors and authorised for issue on 23 December 2020 and are signed on its behalf by:



Zafar Karim
Executive Chairman

Statement of Changes in Equity
for the year ended 31 March 2020

| | Share capital £'000 | Share premium £'000 | Warrant and option reserve £'000 | Accumulated losses £'000 | Total equity £'000 |
|---|------------------------|---------------------------|--|--------------------------------|-----------------------|
| Balance at 1 April 2018 | 3,293 | 9,048 | 293 | (6,644) | 5,990 |
| Loss for the year | - | - | - | (1,865) | (1,865) |
| Total comprehensive expense for the year | - | - | - | (1,865) | (1,865) |
| Issue of ordinary shares | 558 | 772 | - | - | 1,330 |
| Costs of share issue | - | (20) | - | - | (20) |
| Share capital re-organisation | - | - | - | 7 | 7 |
| Share based payments | - | - | 66 | - | 66 |
| Balance at 31 March 2019 | 3,851 | 9,800 | 359 | (8,502) | 5,508 |
| Balance at 1 April 2019 | 3,851 | 9,800 | 359 | (8,502) | 5,508 |
| Loss for the year | - | - | - | (1,439) | (1,439) |
| Total comprehensive expense for the year | - | - | - | (1,439) | (1,439) |
| Issue of ordinary shares | - | - | - | - | - |
| Costs of share issues | - | - | - | - | - |
| Share capital re-organisation | - | - | - | - | - |
| Share-based payments | - | - | - | - | - |
| Balance at 31 March 2020 | 3,851 | 9,800 | 359 | (9,941) | 4,069 |

Statement of Cash Flows

for the year ended 31 March 2020

| | 2020 | 2019 |
|--|---------|---------|
| | £'000 | £'000 |
| Cash flows from operating activities | | |
| (Loss)/profit before taxation | (1,439) | (1,865) |
| Adjustments for: | | |
| Interest expense | - | - |
| Depreciation | 1 | 2 |
| Share based payment expense | - | 66 |
| Impairment of other receivables | - | 73 |
| Change in fair value of investments | 1,233 | 1,337 |
| | (205) | (387) |
| Changes in working capital: | | |
| Decrease/(increase) in trade and other receivables | 318 | (22) |
| Decrease in trade and other payables | (35) | (24) |
| | 283 | (46) |
| Net cash inflow/(outflow) from operating activities | 78 | (433) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | - | (2) |
| Purchase of investment | (310) | (125) |
| Investee convertible loan note | - | (300) |
| Net cash outflow from investing activities | (310) | (427) |
| Cash flows from financing activities | | |
| Proceeds from issues of new ordinary shares | - | 1,330 |
| Expenses paid in connection with issue of shares | - | (20) |
| Share capital re-organisation | - | 7 |
| Proceeds from borrowings | - | - |
| Repayment of borrowings | - | (207) |
| Net cash inflow from financing activities | - | 1,110 |
| Net (decrease)/increase in cash and cash equivalents | (232) | 250 |
| Cash and cash equivalents at 1 April | 295 | 45 |
| Cash and cash equivalents at 31 March | 63 | 295 |

Notes to the Financial Statements

1 Company information

Eight Peaks Group Limited (the "Company") is a company incorporated and domiciled in the UK (registered number 0392024). The address of the registered office is 6 Vicarage Road, Edgbaston, Birmingham, B15 3ES. The Company's principal activity is that of an investment company. On 16 May 2019 shareholders voted to cancel the listing of the Company's shares on AIM. This occurred on 31 May 2019. In addition, at the same time, the shareholders voted to convert the company from a "PLC" to a "Limited" company. This was effected on 13 June 2019.

2 Accounting policies

Basis of preparation

The Company prepares its financial statements in accordance with applicable International Financial Reporting Standards as adopted by the European Union ("IFRS"), and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments.

The financial statements are presented in thousands of pounds sterling ("£'000") except when otherwise indicated.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all periods presented, unless otherwise stated.

New standards, amendments and interpretations

No new International Financial Reporting Standards becoming effective in the current year had an impact on the Company's financial statements.

For the year ended 31 March 2020, the Company adopted the following Standards:

IFRS 16 Leases: Management have assessed that the impact is likely to be immaterial to the financial statements.

For the year ended 31 March 2021, Management has concluded that there are no International Financial Reporting Standards that will impact the Company.

Impairment of asset values

Property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Investments and financial instruments

Investments, financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument.

Fixed asset investments include investments in investee companies where the time horizon for realisation of the investment is considered to be longer than one year. Investments in investee companies where the time horizon for realisation of the investment is considered to be less than one year are classified as current assets.

All investments have been designated as fair value through profit or loss, and are initially measured at cost that is the best estimate of fair value. Thereafter, the investments are measured at subsequent balance sheet dates at fair value. A financial asset is designated in this category if it is acquired to be managed and its performance is evaluated on a fair value basis with a view to selling after a period of time. Listed investments and investments traded on AIM or overseas stock exchanges are stated at current price at the balance sheet date provided the market is active. Unlisted investments are stated at directors' valuation with reference to the IPEVCA valuation guidelines and in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

For investments that would meet the definition as an investment in an associate, IAS 28 states that venture capital companies have the option of recording investments on the balance sheet according to the equity method or at fair value in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". Management makes use of this option and assesses the associates at fair value through profit or loss. In the year under review, the conditions for exercising this option were fulfilled for BlockAPT Limited (previously SOARX Limited), the value of which is included at fair value through profit or loss.

Any realised and unrealised gains or losses on investments are taken to the profit and loss account.

Fair value measurement

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 Group.

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 from the asset's highest and best use or by selling it to another market participant that would utilise the asset in its highest and best use.

The Group 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. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

Financial assets classification

Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value, and are subsequently stated at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and receivables comprise mainly cash and cash equivalents and trade and other receivables.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty, default or significant delay in payment, disappearance of active market for that financial asset, or bankruptcy or financial reorganisation of borrowers) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities and equity

Debt and equity instruments issued by a group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised as the proceeds received, net of direct issue costs.

Cash and cash equivalents

The Company considers any cash on short-term deposits and other short term investments to be cash equivalents.

Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Loans

Loans are initially recognised at fair value and subsequently at amortised cost.

Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated.

The estimated useful lives are as follows: Office equipment – 4 years.

The useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Taxation

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods 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 balance sheet date.

Deferred income tax is recognised on temporary timing differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised in full for all temporary differences. Deferred income tax assets are recognised for all deductible temporary differences carried forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and carry-forward of unused tax credits and unused losses can be utilised. The carrying amount of deferred income tax assets is assessed at each balance sheet 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 deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that future taxable profits will allow the deferred income tax asset to be recovered. Consideration is given to both capital and trading losses, and to the extent that the Company is able to realise a deferred tax asset and settle any taxation liabilities simultaneously, these amounts are offset.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit or loss.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Board of Directors which has been identified as the chief operating decision maker ("CODM"). The Board of Directors consists of 2 Executive Directors and 1 Non-executive Director. Please refer to note 4 for segmental information.

Going concern

The Company's business activities, together with the financial position of the Company and the factors likely to affect its future The Company's business activities, together with the financial position of the Company and the factors likely to affect its future development, performance and position are set out in the Executive Chairman's Statement on page 2.

The Company had cash administrative costs for the year ended 31 March 2020 of c.£206k. A majority of these costs related to the Company being listed on the AIM and various corporate actions that the Company took during the year ended 31 March 2020.

The Company delisted from AIM on 31 May 2019. Consequently, cash costs fell substantially, and as the tail end of costs associated with being listed peters out, are expected to fall even further. For the year to 31 March 2019 (listed during the entire

year), cash costs were c.£398k. For the year to 31 March 2020 (listed for two months of the year), they fell substantially to c.£206k. For the next 12 months, cash costs are expected to be in the region of £26,000.

As at 22 December 2020, the Company had c.£28,000 of cash and c.£7,500 of listed investments. The listed investments may be realised for cash at short notice. The Company expects receipts of a rent deposit refund of c.£4,500 and a payment for rent of c.£17,000. In addition, the Company is conducting a placing in which it has received executed subscription and a commitment amounting to £25,500. Including outstanding subscription letters, the amount rises to £30,000. Together, these give the Company, liquid resources of c.£82,500-£87,000

The Company has immediate expected outgoings of c.£6,000 (accounting services) and c.£10,000 (audit services) leaving at least c.£65,500 of liquid resources compared to the expected cash costs for the next 12 months of £26,000. Further, the directors will, if necessary, defer drawing their non-realisation related remuneration. This would result in an additional saving of c.£6,000.

The Covid 19 pandemic has not had a significant, immediate impact on the company's operations. The Directors have put in place systems and protocols to promote the health and safety of employees and allow the company to continue to operate as normal as possible when restrictions are imposed. The directors are aware that if the current situation becomes prolonged or if further tighter restrictions are imposed then this may change. In addition to the impact on the Company there is the same risk to investee companies.

Based on the above, the directors believe that the Company currently has more than sufficient resources to be considered a going concern from the date of this report.

Share based payments

The Company issues equity-settled share-based payments to certain employees in the form of options. Warrants are issued in lieu of fees to third parties. A fair value for the equity-settled share awards is measured at the date of the grant. The fair value is measured using the Black Scholes method of valuation, which is considered to be the most appropriate valuation technique. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations.

An expense is recognised to spread the fair value of each award over the vesting period on a straight-line basis, after allowing for an estimate of the share awards that will actually vest. The estimate of vesting is reviewed annually, with any impact on the cumulative charge being recognised over the remaining vesting period. Amounts to be settled in shares are presented within equity, representing the expected time-apportioned fair value of the awards that are expected to vest.

3 Critical accounting judgments and estimates

The preparation of the Company's financial statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The Directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the financial statements:

Valuation of investments

The Company's investments are measured at fair value in the statement of financial position and it is usually possible to determine their fair values within a reasonable range of estimates. For actively traded investments, quoted market prices are readily available. For other financial instruments, such as unlisted securities, valuation techniques are used to estimate fair value. Fair value estimates are made at a specific point in time, based on market conditions (including the impact of Covid-19) and information about the individual investments. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined accurately. See note 9 for further details.

Share based payments

In order to calculate the charge for share-based compensation as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its option-pricing model as set out in note 14.

4 Segmental information

The Company only has one class of business and only operates within the United Kingdom.

5 Profit on ordinary activities before tax

| | 2020 | 2019 |
|---|-------|-------|
| | £'000 | £'000 |
| Profit on ordinary activities before tax for the year is stated after charging: | | |
| Impairment loss on receivables | - | 73 |
| Depreciation of property, plant and equipment | 1 | 2 |

| | | |
|------------------------|----|----|
| Auditor's remuneration | 10 | 23 |
|------------------------|----|----|

The impairment loss of £- (2019: £73,000) related to amounts that were expected to be recovered from a third party.

6 Directors

| | 2020 £'000 | 2019 £'000 |
|------------------------|---------------|---------------|
| Director's emoluments: | | |
| Director's salaries | 40 | 98 |
| Social security costs | - | 12 |
| Share-based payment | - | 58 |
| | <u>40</u> | <u>168</u> |

The average monthly number of employees were:

| | 2020 No. | 2019 No. |
|--|-------------|-------------|
| | <u>3</u> | <u>3</u> |

Directors Remuneration

2020

| | Salary, fees & bonus £'000 | Share-based payments £'000 | Total £'000 |
|----------------------|-------------------------------|-------------------------------|----------------|
| Thomas Reuner | 4 | - | 4 |
| Lord Nicholas Monson | 12 | - | 12 |
| Zafar Karim | 24 | - | 24 |
| Total | <u>40</u> | <u>-</u> | <u>40</u> |

2019

| | Salary, fees & bonus £'000 | Share-based payments £'000 | Total £'000 |
|----------------------|-------------------------------|-------------------------------|----------------|
| Thomas Reuner | 12 | - | 12 |
| Lord Nicholas Monson | 14 | 59 | 73 |
| Zafar Karim | 72 | - | 72 |
| Total | <u>98</u> | <u>59</u> | <u>157</u> |

7 Taxation

| | 2020 £'000 | 2019 £'000 |
|--|----------------|----------------|
| (Loss)/profit on ordinary activities before tax | <u>(1,439)</u> | <u>(1,865)</u> |
| (Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK 19% (2019: 19%) | (273) | (354) |
| Expenses not deductible for tax purposes | 30 | 60 |
| Tax losses not recognised/(utilised) | <u>243</u> | <u>294</u> |
| Current tax charge for year | <u>-</u> | <u>-</u> |

As at 31 March 2020 the Company had capital losses of approximately £4.6 million (2019: £4.6 million) available to carry forward against future capital gains, and trading losses of approximately £2.2 million (2019: £2.7 million) which includes £nil (2019: £nil) in respect of tax deductions on share options and warrants. A deferred tax asset of £0.4 million (2019: £0.6 million) is not recognised in respect of these trading losses due to the uncertainty as to the utilisation of the losses in the foreseeable future.

8 Property, plant and equipment

Office equipment £'000

Cost

| | |
|---------------------------------|-----------|
| At 1 April 2018 | 13 |
| Additions | - |
| At 31 March 2019 | 13 |
| Additions | - |
| At 31 March 2020 | 13 |
| Accumulated depreciation | |
| At 1 April 2018 | 9 |
| Charge for the year | 2 |
| At 31 March 2019 | 11 |
| Charge for the year | 1 |
| At 31 March 2020 | 12 |
| Net book value | |
| At 31 March 2020 | 1 |
| At 31 March 2019 | 2 |

9 Investments

Non-Current

Unlisted investments £'000

| | |
|----------------------------------|--------------|
| At 1 April 2018 | 6,095 |
| Additions | 125 |
| Disposals | - |
| Transfer from listed investments | 21 |
| Unrealised loss on revaluation | (1,320) |
| Unrealised gain on revaluation | - |
| At 31 March 2019 | 4,921 |
| At 1 April 2019 | 4,921 |
| Additions | 310 |
| Transfer from listed investments | - |
| Unrealised loss on revaluation | (1,223) |
| At 31 March 2020 | 4,008 |

| | Carrying value 31 March 2019 £'000 | Additions £'000 | Transfer from listed investments £'000 | Unrealised gain/(loss) on revaluation £'000 | Carrying value 31 March 2020 £'000 | Fair value hierarchy |
|---|--|--------------------|---|--|--|-------------------------|
| Virtual Stock Holdings Limited | 3,335 | 300 | - | (1,493) | 2,142 | Level 3 |
| Crowd for Angels | 360 | - | - | - | 360 | Level 3 |
| IBS Corporation Ltd | 224 | - | - | (112) | 112 | Level 3 |
| Dunraven Resources Plc | 461 | - | - | (119) | 342 | Level 3 |
| Amedeo Resources Plc | 7 | - | - | (3) | 4 | Level 3 |
| BlockAPT Limited (previously SOARX Limited) | 534 | 10 | - | 504 | 1,048 | Level 3 |
| | 4,921 | 310 | - | (1,223) | 4,008 | |

Further information in relation to the fair value hierarchy is provided in notes 2 and 15 to the financial statements.

All investments are measured at fair value through profit and loss as detailed in the accounting policy.

The Company held more than 20% of the equity of the following undertakings:

| Other Participating Interest | Class of holding | Proportion directly held | Nature of Business |
|---|------------------|--------------------------|--|
| BlockAPT Limited (previously SOARX Limited) | Ordinary | 21% | Development of cyber-security technology |

Current

| | Listed investments £'000 | Total £'000 |
|--------------------------------|-----------------------------|----------------|
| At 1 April 2018 | 55 | 55 |
| Transfer of investment type | (21) | (21) |
| Unrealised loss on revaluation | (16) | (16) |
| At 31 March 2019 | 18 | 18 |
| At 1 April 2019 | 18 | 18 |
| Unrealised loss on revaluation | (10) | (10) |
| At 31 March 2020 | 8 | 8 |
| Being: | | |
| TSX listed | | 8 |
| | | 8 |

| | Carrying value 31 March 2019 £'000 | Unrealised loss on revaluation £'000 | Carrying value 31 March 2020 £'000 | Fair value hierarchy |
|------------------------|--|--|--|-------------------------|
| Medgold Resources Corp | 18 | 10 | 8 | Level 1 |
| | 18 | 10 | 8 | |

Further information in relation to the fair value hierarchy is provided in 2 and 15 to the financial statements.

10 Cash and cash equivalents

| | 2020 £'000 | 2019 £'000 |
|--------------|---------------|---------------|
| Cash at bank | 63 | 295 |
| | 63 | 295 |

Included within the cash at bank is an amount of £- (2019: £4,000) which is held in the Company's brokers account, Novum Securities Limited.

11 Trade and other receivables

Non-current

| | 2020 £'000 | 2019 £'000 |
|--------------------------------|---------------|---------------|
| Investee convertible loan note | - | 300 |
| | - | 300 |

Current

| | 2020 £'000 | 2019 £'000 |
|-------------------|---------------|---------------|
| Prepayments | 6 | 17 |
| Other receivables | 5 | 12 |
| | <u>11</u> | <u>29</u> |

Other receivables includes a rent deposit of £5,206 (2019: £5,206).

12 Trade and other payables

| | 2020 £'000 | 2019 £'000 |
|------------------------------------|---------------|---------------|
| Trade payables | 3 | 27 |
| Accruals | 19 | 22 |
| Other taxation and social security | - | 8 |
| | <u>22</u> | <u>57</u> |

Trade payables, other payables and accruals represent the Company's financial liabilities measured at amortised cost. Due to their short term nature, carrying value approximates to fair value.

13 Called up share capital

| | 2020 £'000 | 2019 £'000 |
|--|----------------|----------------|
| 17,988,255 (2019: 17,988,255) ordinary shares of £0.001 each | <u>3,851</u> | <u>3,851</u> |
| | 2020 | 2019 |
| | No. (millions) | No. (millions) |
| At the beginning of the year | 18 | 3,293 |
| Subdivision of shares during the year | - | (3,284) |
| Issued during the year | - | 9 |
| At the end of the year | <u>18</u> | <u>18</u> |

The Company has one class of ordinary shares which carries no right to fixed income and which represents 100% of the total issued nominal value of all share capital. The authorised share capital of the Company, as at the balance sheet date, was 3,850,713 (2019: 3,850,713). The number of ordinary shares at 31 March 2018 have been restated to reflect the share consolidation and sub-division that took place on 28 September 2018.

Each ordinary share carries the right to one vote at general meetings of the Company. No person has any special rights of control over the Company's share capital and all its issued shares are fully paid.

On 14 May 2018 the Company issued 1,458,149 ordinary £0.001 shares for £0.0038 each raising £550,000 before expenses.

On 28 September 2018, the Company undertook a share consolidation and sub-division resulting in 63 new ordinary shares being issued for every 23.763 held. As a result of this action, 485,155 New Deferred Shares of £7.90 were also issued. The New Deferred Shares do not entitle holders to receive notice of or attend and vote at any general meeting of the Company or to receive a dividend or other distribution or to participate in any return of capital on a winding up (other than the nominal amount paid on such shares following a very substantial distribution to the holders of New Ordinary Shares). Accordingly, the New Deferred Shares are for all practical purposes, valueless.

On 31 December 2018 the Company issued 6,100,000 ordinary £0.001 shares for £0.10 each raising £610,000 before expenses. As part of and in addition to the preceding, on 3 January 2019 the Company issued 1,700,000 ordinary £0.001 shares to the Directors in a subscription for £0.10 each raising £170,000 before expenses, or £780,000 in aggregate.

Reserves

The share premium reserve represents the consideration that has been received in excess of the nominal value of shares on issue of ordinary share capital, net of issue costs.

The share warrant and option reserve arises from the requirement to value share options and warrants in existence at the grant date and recognise the expense over the vesting period.

The profit and loss account represents the cumulative net earnings of the Company after paying dividends.

14 Share-based payment

Share options

The Company has unapproved and approved share option schemes in which the Directors participate.

Under the Company's approved share option plan, the Company grants options and shares to certain directors of the Company. If the options remain unexercised for a period of 10 years from the date of grant, the options lapse. The options are exercisable immediately on grant.

Details of Directors' outstanding share options as at the year ended are shown below.

| | 2020 | | 2019 | |
|----------------------|--|----------------------|--|----------------------|
| | Weighted average exercise price pence | Number of options | Weighted average exercise price pence | Number of options |
| Zafar Karim | 75.44p | 837,773 | 75.44p | 837,773 |
| Thomas Reuner | 132.02p | 13,256 | 132.02p | 13,256 |
| Thomas Reuner | 75.44p | 257,164 | 75.44p | 257,164 |
| Lord Nicholas Monson | 75.44p | 265,118 | 75.44p | 265,118 |
| | | <u>1,373,311</u> | | <u>1,373,311</u> |

Movements in ordinary share options outstanding:

| | 2020 | | 2019 | |
|--|--|----------------------|--|----------------------|
| | Weighted average exercise price pence | Number of options | Weighted average exercise price pence | Number of options |
| Outstanding at the beginning of the year | 75.44p | 1,193,030 | 75.44p | 1,193,030 |
| Granted during the year | 75.44p | 265,118 | 75.44p | 265,118 |
| Outstanding at the end of the year | 75.44p | <u>1,458,148</u> | 75.44p | <u>1,458,148</u> |

All options were exercisable at the end of the year.

| Last date when exercisable | Exercise price | Granted No. | Lapsed No. | Exercised No. | Outstanding at 31 March 2020 |
|----------------------------|-------------------|------------------|---------------|------------------|---------------------------------|
| 12 February 2021 | 75.44p | 212,094 | - | - | 212,094 |
| 20 May 2021 | 132.02p | 13,256 | - | - | 13,256 |
| 6 February 2022 | 75.44p | 92,791 | - | - | 92,791 |
| 21 January 2023 | 75.44p | 132,559 | - | - | 132,559 |
| 9 June 2023 | 75.44p | 212,094 | - | - | 212,094 |
| 23 December 2023 | 75.44p | 265,118 | - | - | 265,118 |
| 7 August 2024 | 75.44p | 265,118 | - | - | 265,118 |
| 15 September 2028 | 75.44p | 265,118 | - | - | 265,118 |
| | | <u>1,458,148</u> | - | - | <u>1,458,148</u> |

Fair value

The fair value of the options granted is estimated at the date of grant using a Black-Scholes option pricing model that uses certain assumptions. No performance conditions were included in the fair value calculations and the options vested immediately.

Warrants

Other than the employee share options set out above, warrants have been granted to third parties in return for providing consultancy services. The exercise prices and dates are shown in the table below. The warrants have been restated to reflect the share consolidation and subdivision on 28 September 2018.

| Last date when exercisable | Exercise price | Granted No. | Lapsed No. | Exercised No. | Outstanding at 31 March 2020 |
|----------------------------|----------------|----------------|------------|---------------|------------------------------|
| 7 June 2020 (1) | 45.26p | 72,907 | - | - | 72,907 |
| 31 October 2023 (2) | 75.44p | 100,000 | - | - | 100,000 |
| | | <u>172,907</u> | <u>-</u> | <u>-</u> | <u>172,907</u> |

- (1) On 8 June 2018, 72,907 performance related warrants were issued with the performance period from 8 June 2018 to 7 June 2020. The performance warrants are subject to absolute share price target between 150.88p and 528.07p. Subsequent to the balance sheet date, on 7 June 2020, these warrants lapsed.
- (2) On 1 November 2018, 100,000 performance related warrants were issued with the performance period from 1 November 31 to October 2023. The exercise price of the warrants is 75.44p.

| | 2020 | | 2019 | |
|--|---------------------------------------|--------------------|---------------------------------------|--------------------|
| | Weighted average exercise price pence | Number of warrants | Weighted average exercise price pence | Number of warrants |
| Outstanding at the beginning of the year | 62.71p | 172,907 | 56.58p | 86,163 |
| Granted during the year | - | - | 62.71p | 172,907 |
| Lapsed during the year | 56.58p | - | 56.58p | (86,163) |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | <u>62.71p</u> | <u>172,907</u> | <u>62.71p</u> | <u>172,907</u> |

The weighted average exercise price in pence for the number of warrants granted during the year ended 31 March 2019 has been amended from 60.35p to 62.71p

The fair value of the warrants is estimated at the date of grant using a Black-Scholes option pricing model that uses certain assumptions. Performance conditions were included in the fair value calculations where relevant. No warrants were issued in the current or previous period.

15 Financial Instruments

Loans and receivables

Loans and receivables include cash at bank and in hand and other receivables.

Financial liabilities

Financial liabilities at amortised cost include trade payables, other payables, accruals and loans.

Capital Management

The Company is financed primarily with equity capital with debt utilised from time to time, which is then utilised to meet operating expenses and make investments. Investments are financed primarily from equity capital, though debt may be utilised where it is felt that it is prudent to do so.

Interest rate risk

The Company does not have any material exposure to interest rate.

Currency risk

The Company makes investments in both UK and foreign companies. In addition, the companies in which the Company invests may or may not have exposure to foreign currency. In this regard the Company has foreign currency exposure. Currency exposure is one the factors considered when making investments, and as such it is implicitly managed at the point of investment.

Liquidity risk

The Company makes investments in unlisted and listed entities. Consequently, the Company is exposed to the liquidity risk to the extent that it may not be able to find buyers for its unlisted investments and liquidity in its listed investments may be low. Therefore, there can be no certainty that the Company would be able to exit its investments. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | Less than 3 months | Between 3 months and 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|--------------------------|--------------------|-----------------------------|-----------------------|-----------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| 2020 | | | | | |
| Trade and other payables | 3 | - | - | - | - |
| Accruals | 19 | - | - | - | - |
| Other receivables | 5 | - | - | - | - |
| 2019 | | | | | |
| Trade and other payables | 27 | - | - | - | - |
| Accruals | 22 | - | - | - | - |
| Other receivables | 12 | - | 300 | - | - |

Market risk

The Company monitors the value of its investments on a regular basis and acts to decrease or dispose of investments when it deems appropriate.

Credit risk

The bank account of the Company is held with well-established financial institutions of high-quality credit standing.

Fair value hierarchy

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|---------|---------|---------|-------|
| | £'000 | £'000 | £'000 | £'000 |
| Year ended 31 March 2020 | | | | |
| Investments held at fair value | 8 | - | 4,008 | 4,016 |
| Year ended 31 March 2019 | | | | |
| Investments held at fair value | 18 | - | 4,921 | 4,939 |

Financial assets and liabilities measured at fair value are disclosed using a fair value hierarchy that reflects the significance of the inputs used making the fair value measurements, as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical asset or liabilities ('quoted prices');
- Level 2 – Inputs (other than quoted prices in active markets for identical assets or liabilities) that are directly or indirectly observable for the asset or liability ('observable inputs'); or
- Level 3 – Inputs that are not based on observable market data ('unobservable inputs') the unlisted investments were valued in accordance with the Company's accounting policy and IPEVCA valuation guidelines. These were considered level 3 valuations as judgement was required to assess the values. The Directors reviewed the indicators to assess whether the fair value had changed and concluded that, due to the revised IPEVCA valuation guidelines, material adjustments were required.

16 Subsequent events

On 1 July 2020, the Virtual Stock Holdings Limited convertible loan note of £300k converted into 162,610 Virtual Stock Holdings Limited Shares. As at 31 March 2020, the £300k convertible loan note has been reclassified to unlisted investments additions, see note 9.

The Asset Match was discontinued in August 2020. The last auction on the facility, on 26 August 2020. Shareholders wishing to trade in shares can continue to do so by contacting the Company.

A fundraise for BlockAPT Limited was commenced in late March 2020. This process is ongoing, and as at 22 December £740,000 have been raised at a pre-money valuation of £4.6m.

Subsequent to the year end, and as at the date of these accounts, the Company is conducting a placing and subscription of up to 2,000,000 new ordinary shares of 0.1 pence each at a price of 1.5 pence per share. As at the date of these accounts, the Company has received executed subscription letters and commitments amounting to £25,500. Including outstanding subscription letters, the amount rises to £30,000.

17 Related party transactions

Other than the transactions with Directors disclosed in note 6 there were no related party transactions for the year ended 31 March 2020.

Subsequent to the year end, and as at the date of these accounts, as per note 16, the Company is conducting a placing. Zafar Karim, the Executive Chairman of the Company and Lord Nicholas Monson, Non-Executive Director of the Company, are participating in the placing to an amount of £5,500 on the same terms as the other subscribers.

The following related party transactions took place for the year ended 31 March 2019:

On 14 May 2018, Eight Peaks raised an aggregate of £550,000 (before expenses) by way of a placing and subscription of 550,000,000 new ordinary shares of 0.1 pence each at a price of 0.1 pence per share. This included 100,000,000 ordinary shares, which Zafar Karim, Executive Chairman of the Company, subscribed for on the same terms.

On 31 December 2018, Eight Peaks raised an aggregate of £780,000 by way of a placing and subscription of 7,800,000 new ordinary shares of 0.1 pence each at a price of 10 pence per share. Included in this were 1,000,000 ordinary shares were subscribed for by Zafar Karim, Executive Chairman of the Company and 700,000 ordinary shares subscribed for by Lord Nicholas Monson, Non-Executive Director of the Company, on the same terms.

Thomas Reuner, being the Independent Director for the purposes of the Related Party Transaction, considered, having consulted with the Company's nominated adviser, Grant Thornton UK LLP, that the terms and conditions of the Director Subscriptions were fair and reasonable insofar as the shareholders of the Company are concerned.