

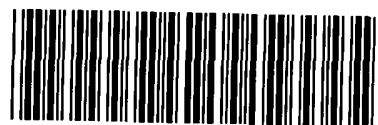
# **Bloc Ventures Limited**

**Registered Number 11119448**

## **Financial Statements**

For the year ended 31 December 2021

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# Company Information

## **Directors**

B N Beckloff

S J O Catlin

D J Leftley

P D Roy

S A Wren

A J Green (appointed on 13 July 2021)

S R Prevezer (appointed on 13 July 2021)

## **Secretary**

M P Neuberger (appointed on 15 December 2021)

## **Registered Office**

51-52, St. Johns Square, London, EC1V 4JL

## **Independent auditor**

Grant Thornton UK LLP

Chartered Accountants & Statutory Auditor

30 Finsbury Square

London

EC2A 1AG

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# Bloc Ventures Limited

Company number 11119448

## Balance sheet

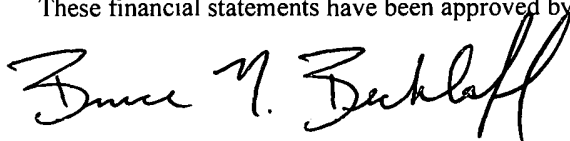
As at 31 December 2021

		<i>As at 31 December 2021</i>	<i>As at 31 December 2020</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
<b>Non-current assets</b>			
Property, plant & equipment	5	144,159	192,026
Other assets	8	1,339,104	397,123
Investments held at fair value through profit or loss	4	27,868,034	32,520,004
Other investments	6	3	-
		<u>29,351,300</u>	<u>33,109,153</u>
<b>Current assets</b>			
Trade and other receivables	8	194,014	242,420
Cash and cash equivalents	9	<u>6,836,318</u>	<u>4,544,948</u>
		<u>7,030,332</u>	<u>4,787,368</u>
<b>TOTAL ASSETS</b>		<u><b>36,381,632</b></u>	<u><b>37,896,521</b></u>
<b>EQUITY</b>			
Issued share capital	11	1,353,045	1,272,795
Share premium		22,494,645	19,625,491
Capital redemption reserve		270	-
Merger relief reserve	12	5,076,899	5,076,899
Retained earnings		7,100,780	11,414,073
		<u>36,025,639</u>	<u>37,389,258</u>
<b>TOTAL EQUITY</b>		<u><b>36,025,639</b></u>	<u><b>37,389,258</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	278,428	394,805
<b>Non-current lease liability</b>	10	77,565	112,458
		<u>355,993</u>	<u>507,263</u>
<b>TOTAL LIABILITIES</b>		<u><b>355,993</b></u>	<u><b>507,263</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>36,381,632</b></u>	<u><b>37,896,521</b></u>

The notes on pages 4 to 18 form part of these financial statements.

The accounts have been delivered in accordance with the provisions applicable to the small companies' regime.  
The company has opted not to file the profit and loss account.

These financial statements have been approved by the Board of Directors and signed on its behalf by:



B N Beckloff, Director  
21 June 2022

Registered company number: 11119448

# Notes to the financial statements

For the Year ended 31 December 2021

## 1. Accounting policies

Bloc Ventures Limited is a private company limited by shares, incorporated and domiciled in England and Wales. Its registered address is 51-52 St John's Square, London EC1V 4JL.

### *Basis of preparation*

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union as they apply to financial statements of the company for the year ended 31 December 2021 and applied in accordance with the Companies Act 2006. These accounting policies were consistently applied for all the periods presented.

The financial statements are presented in Sterling.

The financial statements have been prepared under the historical cost convention.

These financial statements were approved and authorised for issue by the board on 21 June 2022. Amendments to the financial statements are not permitted after approval.

In accordance with IFRS 10 paragraph 4, the company has taken the exemption not to present consolidated financial statements as it is an investing company that measures all of its investments at fair value through the Income statement.

### *Going concern*

Based on current and forecasted performance, the directors expect there to continue to be sufficient cash headroom for at least 12 months from the date of approval of these financial statements.

The portfolio is relatively resilient to Covid-19, largely being at an early stage of development and so less dependent on short term revenue. Despite the recent downturn in the public markets, the technology sector in which we invest is expected to recover and benefit long-term from the pandemic. We successfully exited Marmalade Game Studio Limited, our largest portfolio investment, for £12,797,481 comprising of an initial cash payment of £9,341,574 and an anticipated deferred consideration of £3,455,907 over the next four years.

Some companies saw revenue targets missed in 2021 as a result of the ongoing impact of Covid-19, but this was balanced by product and technology milestone achievement which together with the preference nature of our shareholdings meant that there was no requirement to impair any investment book values other than Tether Technology Limited.

Brexit is not anticipated to have a material impact on Bloc or the portfolio.

At 31 May 2022, Bloc Ventures' cash balance was £5,193,764 following funding to their portfolio companies. Ultimately, portfolio disposals will fund new investments but in the medium term, Bloc Ventures will continue to raise new equity to fund the build out of its portfolio.

Furthermore, based on current and forecasted performance, the directors consider that the company will ultimately be profitable and cash generative. The directors have prepared forecasts and believe that these forecasts demonstrate that the company has adequate cash resources to continue to be able to pay its liabilities as they fall due for at least the next 12 months. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### *Statement of compliance*

The company has complied with all current International Financial Reporting Standards. There were no new adoptions during the 2021 year.

# Notes to the financial statements

For the year ended 31 December 2021

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Proceeds before Intended Use (Amendments to IAS 16)
- IFRS 17 Insurance Contracts
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods,

## ***Revenue recognition***

Revenue is derived from consulting activities.

Consulting and similar income is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes. Revenue from a contract to provide a service is recognised over time as the services are rendered based on either fixed price or hourly/daily rates.

## ***Property, plant and equipment***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Such cost includes the cost of replacing part of the property, plant and equipment when the cost is incurred, if the recognition criteria are met, in which case the carrying value of the replaced part is written off. All major repairs and maintenance costs are recognised in the income statement as incurred.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

Plant and machinery	-	4 years
Right of Use Asset	-	5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period the asset is de-recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial period end. The assets are reviewed for impairment if events or circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount.

## ***Impairment of non-financial assets***

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the income statement as a highlighted item in the period in which they are incurred.

## ***Investments and other financial assets***

Investments and other financial assets are evaluated with reference to IFRS 9.

Investments in unlisted company shares are carried in the Balance Sheet at fair value with changes in fair value recognised in profit or loss if their fair value can be measured reliably. Investments are reported at a fair value as determined by the directors. Unquoted investments are valued in accordance with the International Private Equity

# Notes to the financial statements

## For the year ended 31 December 2021

and Venture Capital Valuations ('IPEVCV') guidelines. The basis of valuation in these guidelines includes valuing investments at:

- a) The price of recent investments;
- b) Comparative industry price earnings ratios discounted for marketability and performance of investment, and;
- c) Net asset valuations for asset based investments.

Notwithstanding the bases of valuation stated above, the eventual realisation proceeds will inevitably differ from the valuation and those differences could be significant.

The company determines the classifications of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial period end.

### *Loans and receivables*

Loans and receivables are non-derivative financial assets with a fixed or determinable payment that are not quoted in an active market. After initial recognition loans and receivables are carried at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

### *Impairment of trade receivables*

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the company will not be able to collect all the amounts due under the original terms of the invoice. The carrying amount of the receivables is reduced through use of an allowance account calculated as the change in lifetime expected credit losses and recognised in the income statement, in accordance with IFRS 9. Impaired debts are derecognised when they are assessed as uncollectable.

### *Cash and cash equivalents*

Cash and short-term deposits in the statement of financial position comprise cash at bank and short-term deposits with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

### *Foreign currency translation*

The consolidated financial statements are presented in Sterling, which is the functional currency of the company. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at period end and exchange rates are recognised in profit or loss. Non-monetary items are not retranslated at period end and are measured at historical cost (translated using exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

### *Financial liabilities*

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

### *De-recognition of liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

# Notes to the financial statements

For the year ended 31 December 2021

## *Leases*

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

The adoption of this new Standard resulted in the company recognising a right-of-use asset and related lease liability in connection with an office space that was leased during the previous year for a five year period. There were no former operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019, except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

For contracts in place at the date of initial application, the company has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

The company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 5%.

## *Provisions*

Provisions are recognised when the company has a probable, present legal or constructive obligation to make a transfer of economic benefits as a result of past events where a reliable estimate is available. The amounts recognised represent the company's best estimate of the transfer of benefits that will be required to settle the obligation as of the balance sheet date. Provisions are discounted if the effect of the time value of money is material using a pre-tax market rate adjusted for risks specific to the liability.

## *Taxes*

### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

### *Deferred income tax*

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary difference associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and



# Notes to the financial statements

For the year ended 31 December 2021

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position 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 tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

## 2. Significant accounting judgements and assumptions

The preparation of the company's financial statements requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the statement of financial position date, amounts reported for revenues and expenses during the period, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liability affected in the future.

In the process of applying the company's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial statements:

### *Judgements*

#### *Investments at fair value through profit or loss*

The most critical estimates and judgements relate to the determination of the carrying value of investments at fair value through profit or loss. In determining this amount the company follows the International Private Equity and Venture Capital Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between two knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology. The Company engaged the services of Cabrillo Advisors, a technology valuation specialist based in California, USA, to carry out an independent valuation which covered 8 portfolio companies. Cabrillo Advisors ultimately concluded that there was no material difference between the fair value and carrying value of the portfolio at year-end.

#### *Deferred tax*

The Directors consider that the Substantial Shareholdings Exemption ('SSE') will apply to the unrealised gains included in the financial statements hence no provision has been made for deferred tax on those gains.

## 3. Employee information

The average number of people employed during the period was 10 (2020: 8)

# Notes to the financial statements

For the year ended 31 December 2021

## 4. Investments

*Change in portfolio valuations from 1 January 2021 to 31 December 2021:*

Company	Cost £	Valuation 31.12.2020	Additions Cost £	Disposal £	Reclassific- ation	Impairment	Revaluation	Valuation 31.12.2021
Marmalade Game Studio Limited	1,826,500	13,800,000	-	(9,341,574)	(1,000,000)	-	(3,458,426)	-
EVERYTHNG Limited \$	998,981	1,100,512	-	-	-	-	9,114	1,109,626
Tether Technology Limited	825,002	854,653	310,000	-	-	(1,164,653)	-	-
YellowDog Limited	4,000,004	4,471,216	165,386	-	-	-	944,171	5,580,773
Zeetta Networks Limited	2,250,005	2,250,005	1,757,151	-	-	-	-	4,007,156
Yordex Limited	1,500,000	1,500,000	1,139,596	-	-	-	499,614	3,139,210
AccelerComm Limited	2,999,984	3,809,232	-	-	-	-	-	3,809,232
Pharrowtech BV €	2,205,403	2,234,315	351,898	-	-	-	(132,023)	2,454,190
Crypta Labs Limited	1,500,023	1,500,023	500,000	-	-	-	-	2,000,023
Paytia Limited	1,000,048	1,000,048	-	-	-	-	-	1,000,048
MindTrace Limited	-	-	1,050,013	-	-	-	-	1,050,013
Shield I.O.T Ltd \$	-	-	2,205,882	-	-	-	11,921	2,217,803
Helix Technologies Limited	-	-	1,499,960	-	-	-	-	1,499,960
	19,105,950	32,520,004	8,979,886	(9,341,574)	(1,000,000)	(1,164,653)	(2,125,629)	27,868,034

During the year to 31 December 2021 accrued interest of £462,146 on convertible loan notes in investment companies YellowDog Limited, Yordex Limited and Zeetta Networks Limited was converted into equity. This amount has been included in the additions cost above.

In September 2021 Marmalade Game Studio Limited was disposed of for £12,797,481 (cost £3,250,000). £3,455,907 of this amount is deferred consideration and shall be paid on the company hitting £5.5m EBITDA in calendar years 2021, 2022, 2023 and 2024 respectively. Earn outs are shown in detail in note 13.

The Directors conducted an impairment test of the portfolio at year-end and concluded that the investment in Tether Technology Limited was unlikely to be recovered. Accordingly, an impairment has been recognised at year end.

£1,000,000 has been reclassified as a long-term loan to Marmalade Game Studios Limited. Interest is charged on the loan at 10% per annum and the loan will be repaid in August 2023.

# Notes to the financial statements

For the year ended 31 December 2021

*Change in portfolio valuations from 1 January 2020 to 31 December 2020:*

Company	Cost £	Valuation 31.12.2019	Additions Cost £	Disposals Cost £	Revaluation	Valuation 31.12.2020
Marmalade Game Studio Limited	3,296,000	7,223,000	-	(1,469,500)	8,046,500	13,800,000
EVERYTHNG Limited \$	798,981	927,977	200,000	-	(27,465)	1,100,512
Tether Technology Limited	700,002	729,653	125,000	-	-	854,653
YellowDog Limited	2,500,004	2,971,216	1,500,000	-	-	4,471,216
Zeetta Networks Limited	1,250,005	1,250,005	1,000,000	-	-	2,250,005
Yordex Limited	1,000,000	1,000,000	500,000	-	-	1,500,000
AccelerComm Limited	1,499,992	1,499,992	1,499,972	-	809,268	3,809,232
Pharrowtech BV €	1,115,584	1,059,198	1,089,819	-	85,298	2,234,315
Crypta Labs Limited	750,017	750,017	750,006	-	-	1,500,023
Paytia Limited	-	-	1,000,048	-	-	1,000,048
	12,910,585	17,411,058	7,664,845	(1,469,500)	8,913,601	32,520,004

## 5. Property, plant and equipment

	<i>Plant and machinery</i> £	<i>Right of Use Asset</i> £	<i>Total</i> £
<b>Cost</b>			
<i>At 1 January 2020</i>	20,955	231,429	252,384
Additions	14,269	-	14,269
<b>At 31 December 2020</b>	<b>35,224</b>	<b>231,429</b>	<b>266,653</b>
Additions	9,806	-	9,806
Disposals	(3,452)	-	(3,452)
<b>At 31 December 2021</b>	<b>41,578</b>	<b>231,429</b>	<b>273,007</b>
<b>Depreciation:</b>			
<i>As at 1 January 2020</i>	2,894	19,286	22,180
Charge for the year	6,161	46,286	52,447
<b>At 31 December 2020</b>	<b>9,055</b>	<b>65,572</b>	<b>74,627</b>
Charge for the year	10,318	46,286	56,604
Elimination on disposal	(2,383)	-	(2,383)
<b>At 31 December 2021</b>	<b>16,990</b>	<b>111,858</b>	<b>128,848</b>
<b>Net Book Value:</b>			
<b>At 31 December 2021</b>	<b>£24,588</b>	<b>£119,571</b>	<b>£144,159</b>
<b>At 31 December 2020</b>	<b>£26,169</b>	<b>£165,857</b>	<b>£192,026</b>

The Right of Use Asset relates to a leased office space, the lease analysis is detailed in note 7.

# Notes to the financial statements

For the year ended 31 December 2021

## 6. Investment in subsidiaries

During the year the company set up three wholly owned subsidiaries, Bloc Ventures Directors Limited, Bloc Ventures Management Limited and Bloc Nominee (Bridgerton) Limited. The company owns 100% of the ordinary shares and voting rights in each. At 31 December 2021 £3 of ordinary shares in subsidiaries were held (2020: £0).

At the year-end Bloc Ventures Management Limited owed the company £5,000 (2020: £0) and the company owed Bloc Ventures Directors Limited £1,250 for services provided (2020: £0).

## 7. Leases

Lease liabilities are presented in the statement of financial position as follows:

	<i>Year Ended</i> <i>31 December</i> <i>2021</i> <i>£</i>	<i>Year Ended</i> <i>31 December</i> <i>2020</i> <i>£</i>
Current	34,893	38,767
Non-Current	77,565	112,458
	<b>112,458</b>	<b>151,225</b>

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

	Within 1 year £	1-2 Years £	2-3 Years £	Total £	
31 December 2021					
Lease payments	43,788	52,574	31,256	127,618	
Finance charged	(8,895)	(5,375)	(890)	(15,160)	
<b>Net present values</b>	<b>34,893</b>	<b>47,199</b>	<b>30,366</b>	<b>112,458</b>	

	Within 1 year £	1-2 Years £	2-3 Years £	3-4 Years £	Total £
31 December 2020					
Lease payments	52,574	43,788	52,574	31,256	180,192
Finance charged	(13,807)	(8,895)	(5,375)	(890)	(28,967)
<b>Net present values</b>	<b>38,767</b>	<b>34,893</b>	<b>47,199</b>	<b>30,366</b>	<b>151,225</b>

# Notes to the financial statements

For the year ended 31 December 2021

## 8. Trade and other receivables

	<i>As at 31 December 2021 £</i>	<i>As at 31 December 2020 £</i>
Trade receivables	159,706	221,878
Amounts owed by Group undertakings	5,000	-
Prepayments and accrued income	368,412	417,665
Long term loan	1,000,000	-
	<b>£1,533,118</b>	<b>£639,543</b>
Amounts due within one year	£194,014	£242,420
Amounts due after more than one year	£1,339,104	£397,123

Trade receivables are non-interest bearing. All outstanding trade receivables that have not been provided for are considered to be recoverable.

Amounts due after more than one year includes accrued interest of £319,041 (2020: £377,060) due from investment portfolio companies.

The long term loan is due for repayment in August 2023 and interest is being charged at 10% per annum.

The Directors conducted an impairment test of the portfolio at year-end and concluded that the investment in Tether Technology Limited was unlikely to be recovered. In addition to an impairment of the investment, a provision has been recognised for the net Trade Receivables balance (£15,525) and accrued interest (£56,815) at year end.

## 9. Cash and cash equivalents

	<i>As at 31 December 2021 £</i>	<i>As at 31 December 2020 £</i>
Cash and cash equivalents	£6,836,318	£4,544,948

## 10. Trade and other payables

	<i>As at 31 December 2021 £</i>	<i>As at 31 December 2020 £</i>
Trade payables	17,821	3,349
Other trade payables	381	1,319
Accruals and deferred revenue	163,934	283,978
Pension contributions payable	666	7,867
Rental lease	34,893	38,767
Other taxes and social security costs	59,483	59,525
Amounts owed to Group undertakings	1,250	-
	<b>£278,428</b>	<b>£394,805</b>

# Notes to the financial statements

For the year ended 31 December 2021

Non-current lease liability		As at 31 December 2021 £	As at 31 December 2020 £
Rental lease	1-5 years (note 7)	£77,565	£112,458

## 11. Issued capital

### Ordinary shares called up and fully paid at 31 December 2021

Ordinary shares issued and fully paid	Number	Nominal value
Ordinary shares of £1 each	1,017,046	£1,017,046
A Ordinary preference shares of £1 each	334,400	£334,400
A Growth shares of £0.01 each	116,320	£1,163
B Growth shares of £0.01 each	43,580	£436
<b>Total</b>		<b>£1,353,045</b>

### Ordinary shares called up and fully paid at 31 December 2020

Ordinary shares issued and fully paid	Number	Nominal value
Ordinary shares of £1 each	936,962	£936,962
A Ordinary preference shares of £1 each	334,400	£334,400
A Growth shares of £0.01 each	143,320	£1,433
<b>Total</b>		<b>£1,272,795</b>

### Ordinary shares issued during the year to 31 December 2021

Ordinary shares issued during the year	Number	Consideration Received Net of costs
Ordinary shares of £1 each (note 12)	80,084	£2,947,495
A Growth shares of £0.01 each (note 12)	-	-
B Growth shares of £0.01 each (note 12)	43,580	£2,179
<b>Total</b>		<b>£2,949,674</b>

### Ordinary shares issued during the year to 31 December 2020

Ordinary shares issued during the year	Number	Consideration Received Net of costs
Ordinary shares of £1 each (note 12)	280,194	£7,117,234
A Growth shares of £0.01 each (note 12)	68,170	£3,408
<b>Total</b>		<b>£7,120,642</b>

Description of terms of the shares:

# Notes to the financial statements

For the year ended 31 December 2021

## Ordinary shares of £1

The shares have full rights in the company with respect to voting, dividends and distributions.

## A Ordinary preference shares of £1

The shares are participating preference shares with a 1 x liquidation preference and full rights in the company with respect to voting, dividends and distributions.

## A Growth shares of £0.01

The A Growth shares do not confer voting (save in respect of a vote pertaining to a variation of class rights) nor dividend/income rights, nor do they confer rights of redemption. On a return of assets on a sale, liquidation, reduction of capital or otherwise (including an asset sale), the capital proceeds shall be distributed as follows:

1. Firstly, the holders of A Ordinary shares shall receive an amount equal to the subscription price paid for each A Ordinary share.
2. Thereafter the holders of Ordinary shares and A Ordinary shares shall participate in the balance of the surplus assets pro rata to their respective shareholdings, provided that the A Growth shares shall also participate if the net capitalisation value of the company is equal to or greater than £50,000,000. Net capitalisation value is defined in the Articles of Association and means the Capitalisation Value less any equity investment (including any investment through the subscription for shares or Convertible Securities) or any capital contribution to the Company or any subsidiary of the Company made by any current or future shareholder of the Company or any subsidiary of the Company after 31 March 2018.

## B Growth shares of £0.01

The B Growth shares do not confer voting (save in respect of a vote pertaining to a variation of class rights) nor dividend/income rights, nor do they confer rights of redemption on a return of asset.

1. Firstly, the holders of A Ordinary shares shall receive an amount equal to the subscription price paid for each A Ordinary share.
2. Thereafter the holders of Ordinary shares and A Ordinary shares shall participate in the balance of the surplus assets pro rata to their respective shareholdings, provided that the B Growth shares shall also participate if the net capitalisation value of the company is equal to or greater than £75,000,000. Net capitalisation value is defined in the Articles of Association and means the Capitalisation Value less any equity investment (including any investment through the subscription for shares or Convertible Securities) or any capital contribution to the Company or any subsidiary of the Company made by any current or future shareholder of the Company or any subsidiary of the Company after 31 March 2018.

## 12. Share issues

### Share for share exchange in 2018

The business of Bloc Ventures Limited was conducted through a Guernsey based group, Bloc Ventures Holdings Limited registered number 59001 ('BVH') until February 2018 when, following changes to tax legislation it was decided to relocate the business to the UK. The net assets of BVH (£5,543,299) were transferred to Bloc Ventures Limited ('BVL') in February 2018 by way of a share for share exchange which was represented in the accounts as Share Capital at its pre transfer nominal value of £466,400 (£200,000 Ordinary shares and £266,400 A Ordinary shares) and a Merger Relief Reserve of £5,076,899.

### Other share issues

Further shares were issued during the year as follows:

	Number	Nominal value	Premium	Total proceeds
Ordinary £1 shares	80,084	£80,084	£2,867,411	£2,947,495
B Growth	43,580	£436	£1,743	£2,179
<b>Total</b>		<b>£80,520</b>	<b>£2,869,154</b>	<b>£2,949,674</b>

# Notes to the financial statements

For the year ended 31 December 2021

Shares issued in the year to 31 December 2020

	Number	Nominal value	Premium	Total proceeds
Ordinary £1 shares	280,194	£280,194	£7,133,739	£7,413,933
A Growth	68,170	£681	£2,727	£3,408
Less costs			(£296,699)	(£296,699)
<b>Total</b>		<b>£280,875</b>	<b>£6,839,767</b>	<b>£7,120,642</b>

## Company share buyback

	Number	Nominal value	Premium	Total proceeds
A Growth	27,000	£270	£1,080	£1,350
<b>Total</b>		<b>£270</b>	<b>£1,080</b>	<b>£1,350</b>

In September 2021 the company bought back 27,000 A Growth shares at £0.05 pence per share. A capital redemption reserve for the nominal value of £270 has been created.

## 13. Contingent asset

The sale of Marmalade Game Studio Limited ("Marmalade") in September 2021 included deferred consideration of £3,455,907, which has not been recognised at year end due to this not meeting the asset recognition criteria. Upon completion of the sale of Marmalade, the remaining carrying value was de-recognised with the corresponding adjustment made to Movement on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. Should Marmalade achieve its EBITDA targets, the fair value adjustment in the Statement of Comprehensive Income will be reversed in the period of receipt. The earn outs will be paid on Marmalade achieving £5.5m EBITDA in calendar years 2021, 2022, 2023 and 2024 respectively. There is a full catch-up mechanism to allow for the consideration to be paid in the later years should the company miss an earlier year's earn-out target.

	Within 1 year £	1-2 Years £	2-3 Years £	3-4 Years £	Total £
Deferred consideration	-	1,602,394	801,198	1,052,315	3,455,907
<b>Total</b>	<b>-</b>	<b>1,602,394</b>	<b>801,198</b>	<b>1,052,315</b>	<b>3,455,907</b>

## 14. Related party transactions

The company considers its key management personnel to be its executive directors.

0 A Growth shares of £0.01 (2020: 30,000) were issued to the executive directors for their fair market value of £0.05 per share.

22,500 B Growth shares of £0.01 (2020: 30,000) were issued to the executive directors for their fair market value of £0.05 per share.

Consultancy revenue totalling £213,508 (2020: £216,612) was earned in the year relating to portfolio company non-executive director and consulting fees. Bloc Ventures Limited does not exercise control or management through any of these positions.



# Notes to the financial statements

## For the year ended 31 December 2021

During the period P D Roy invested a total of £99,998 (2020: £100,000) in two Bloc portfolio companies. He also received £1,329,594 from the sale of Marmalade Game Studio Limited. This was on the same basis and subject to the same deferred consideration terms as the sale of Bloc's stake.

During the period Winofi Capital Limited (previously BNBI Limited) invested a total £1,100,000 (2020: £-) in two Bloc portfolio companies. The company received £2,544,996 from the sale of Marmalade Game Studio Limited (2020: £389,500 was received as capital reduction proceeds). This was on the same basis and subject to the same deferred consideration terms as the sale of Bloc's stake.

The company also invested £1,000,000 in Bloc Ventures Limited.

During the period SJO Catlin received £396,894 from the sale of Marmalade Game Studio Limited. This was on the same basis and subject to the same deferred consideration terms as the sale of Bloc's stake.

Catlin Consultancy was paid £- (2020: £10,000) in respect of the services of SJO Catlin as non-executive director during the period.

During the period D Leftley invested a total of £60,017 (2020: £-) in two Bloc portfolio companies.

## 15. Financial risk management

The company's activities expose it to market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk arising from the financial instruments it holds. The risk management policies employed by the company to manage these risks are discussed below:

<i>Financial assets</i>	<i>As at 31 December 2021 £</i>	<i>As at 31 December 2020 £</i>
<i>Current assets</i>		
Trade and other receivables	194,014	242,420
Cash and cash equivalents	6,836,318	4,544,948
	<b>7,030,332</b>	<b>4,787,368</b>

### Financial Instruments by Category

	<i>Loans and receivables</i>	<i>Fair value through profit or loss</i>	<i>Liabilities at amortised cost</i>	<i>As at 31 December 2021 Total</i>	<i>As at 31 December 2020 Total</i>
<b>Non-current assets</b>					
Investments at fair value through profit and loss	-	£27,868,034	-	£27,868,034	£32,520,004
Other assets	£1,339,104	-	-	£1,339,104	£397,123
<b>Current assets</b>					
Trade and other receivables	£194,014	-	-	£194,014	£242,420
<b>Current liabilities</b>					
Trade and other payables	-	-	(£278,428)	(£278,428)	(£394,805)
<b>Long term liabilities</b>					
Lease assets over 1 year	-	-	(£77,565)	(£77,565)	(£112,458)
<b>Total</b>	<b>£1,533,118</b>	<b>£27,868,034</b>	<b>(£355,993)</b>	<b>£29,045,159</b>	<b>£32,652,284</b>

### Fair value of financial instruments

All investments measured at fair value in the statement of financial position are classed as Level 3 in the fair value hierarchy. The company holds investments that have been designated as held for trading on initial recognition. Where practicable the company determines the fair value of these financial instruments that are not quoted (level 3) using the most recent bid price at which a transaction has been carried out or through a discounted cash flow model

# Notes to the financial statements

For the year ended 31 December 2021

which values the investment based on estimates of future cash-flows with an appropriate discount rate including references to industry valuation benchmarks. These techniques are significantly affected by key assumptions, such as market liquidity.

	On demand	Less than 1 year	Between 1- 5 years	More than 5 years	Total 2021	Total 2020
	£	£	£	£	£	£
Financial assets at fair value through profit and loss	-	-	-	27,868,034	27,868,034	3,520,004
Trade and other receivables	-	194,014	1,339,104	-	1,533,118	639,543
Cash and cash equivalents	6,836,318	-	-	-	6,836,318	4,544,948
<b>Total assets</b>	<b>6,836,318</b>	<b>194,014</b>	<b>1,339,104</b>	<b>27,868,034</b>	<b>36,237,470</b>	<b>37,704,495</b>
Trade and other payables	-	(278,428)	(77,565)	-	(355,993)	(507,263)
<b>Total liabilities</b>	<b>-</b>	<b>(278,428)</b>	<b>(77,565)</b>	<b>-</b>	<b>(355,993)</b>	<b>(507,263)</b>
<b>Total liquidity gap</b>	<b>6,836,318</b>	<b>(84,414)</b>	<b>1,261,539</b>	<b>27,868,034</b>	<b>35,881,477</b>	<b>37,197,232</b>

Trade and other receivables are non-derivative financial assets. The carrying value may be affected by changes in the credit risk of the counterparties.

Management assessed that the carrying value of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their fair values largely due to the short-term maturities of these instruments.

## Investments

Investments held at fair value **£27,868,034** (2020: £32,520,004)

## Market risk

The company is susceptible to market price risk arising from uncertainties about the future values of its investments. To manage the market risk, the Board reviews the performance of its investment portfolio and is in regular contact with the investee companies.

A 10% change in the value of its investments would increase/decrease the net assets attributable to shareholders by £2,786,803 (2020: £3,252,000)

## Currency risk

80% (2020: 90.4%) of the investment portfolio is denominated in the same currency as its functional currency. One investment is denominated in US dollars, and one in Euros. A 10% change in the exchange rate would increase/decrease the value of the investment by £558,162 (2020: £313,482)

## Liquidity risk

Liquidity risk that the company may not be able to generate sufficient cash resources to settle its obligations as they fall due or can only do so on terms materially disadvantageous. The board manages this risk by ensuring sufficient funds are available to meet outstanding commitments.

## Credit Risk

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

## Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt, cash and equity balances.

# Notes to the financial statements

## For the year ended 31 December 2021

The capital structure of the company consists of cash and equity, comprising issued capital, reserves and retained earnings. The company's board reviews the capital structure on a regular basis.

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

## 16. Events after the reporting year

Bloc Ventures Limited Ventures Limited made the following investments subsequent to the reporting date:

- Pharrowtech BV: €417,000 convertible loan note on 18 January 2022. This convertible loan note (and accrued interest) was subsequently converted on 30 March 2022 into 77,508 shares at €5.44 per share, a discount of 7.5% to the next round.
- Pharrowtech BV: Subscribed for 266,266 ordinary shares at €5.89 (rounded) per share, €1,567,241.68.
- Yordex Limited: £500,000 convertible loan note on 7 April 2022.
- Zeetta Networks Limited: £350,000 convertible loan note on 23 May 2022.

### Sale of Evrythng Limited:

The board of Evrythng Limited announced on 15 November 2021 that it had agreed and signed a definitive agreement with Digimarc Corporation whereby Digimarc Corporation will acquire the entire issued share capital of Evrythng Limited.

The transaction became unconditional on and closed on 3 January 2022, subsequent to Bloc's year end.

The aggregate consideration was payable in two tranches and was to be received in the form of the purchaser's common stock and granting of warrants. The number of purchaser common stock issued on the first tranche was calculated based on a 20-day volume-weighted average price of the stock of \$47.4823. Accordingly, 13,952 shares were issued on 3 January 2022 and the second tranche was still anticipated to be received in full.

The number of purchaser common stock to be issued in the second tranche is dependent on both the 20-day volume-weighted average price and the annual recurring revenue of the Company as at 28 February 2022.

On 2nd March 2022, Digimarc Corporation advised that the Evrythng Limited annual recurring revenue at 28 February 2022 was not expected to be materially above the required level. Therefore, there was no material second tranche. The impact of not achieving the revenue hurdle and the subsequent performance of the acquirer's share price resulted in an impairment of approximately £890,000 in 2022.

### Bloc Ventures Limited Series C:

48,601 ordinary shares have been issued at a price of £40.00 since 31 December 2021 as part of the Series-C fund raise.

## 17. Audit Report

The full statutory accounts for shareholders were audited by Grant Thornton UK LLP. The audit report was unqualified with no emphasis of matter and was signed by Nicholas Watson BSc ACA as Senior Statutory Auditor.