



**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements
for the 15 Months Ended 31 December 2023
For
S-VENTURES PLC**

| | PAGE |
|--|-------------|
| Company Information | 3 |
| Chairman's Statement | 4 |
| Group Strategic Report | 5 |
| Section 172 Statement | 10 |
| Report of the Directors | 11 |
| Report of the Independent Auditors | 17 |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 24 |
| Consolidated Statement of Financial Position | 25 |
| Company Statement of Financial Position | 27 |
| Consolidated Statement of Changes in Equity | 28 |
| Company Statement of Changes in Equity | 30 |
| Consolidated Statement of Cash Flows | 32 |
| Company Statement of Cash Flows | 33 |
| Notes to the Consolidated Financial Statements | 34 |

DIRECTORS:

S Argent (appointed 29 August 2023)
B Choudhrie
R D Hewitt
S P Livingston
D M Mitchell (resigned 15 January 2024)
N A D'Onofrio (resigned 26 July 2023)
A J B Phillips

SECRETARY:

R D Hewitt

FINANCIAL ADVISOR:

VSA Capital Limited, Park House, 16-18 Finsbury Circus, London, EC2M 7EB

AUDITORS:

RPG Crouch Chapman LLP, 40 Gracechurch Street, London EC3V 0BT

LAWYERS:

Hill Dickinson LLP, The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW

REGISTRARS:

Neville Registrars, Neville House, Steelpark Road, Halesowen, B62 8HD

REGISTERED OFFICE:

Suite 8, 3rd Floor, 121 Sloane Street, London, SW1X 9BW

REGISTERED NUMBER:

12723377 (England and Wales)

S-VENTURES PLC
Chairman's Statement
For the 15 months ended 31 December 2023

The Board is pleased to present the Company's audited results for the 15 months ended 31 December 2023. As previously announced, the year-end has been extended to be coterminous with that of our largest subsidiary – Juvela Limited – which we acquired in December 2022.

The Board regrets the late submission of these accounts which has been occasioned by a difficult trading period and a change in auditors. We anticipate releasing our Interim Accounts to June 2024 shortly to bring us back in line with reporting requirements.

The results reflect the headwinds we have encountered with the closure of Lizza GmbH (March 2023) and more recently the closure of Ohso Chocolate (September 2023). Against these disappointments, we are very pleased with the success of Juvela whose first-year results were in line with expectations. Juvela supplies gluten free products largely to the prescription market and has recently expanded its product range.

The turnaround at Pulsin has been slower than anticipated and the period to December 2023 reflected considerable costs which we have now eliminated from the business. This turnaround has continued through 2024 and we anticipate that Pulsin will return to profitability in early 2025.

Growth has continued at Market Rocket which continues to tap into new and developing marketing platforms.

Since the 2023 year-end, we have refined or expanded the ranges of products at both Pulsin and Juvela which gives the Board renewed confidence for future trading periods.

On 22 March 2024, we announced a £2 million debt fund-raising to bridge to a potential purchase of assets and novation of liabilities by Riverfort Global Opportunities plc ("RGO"). The Board continues to progress this important potential transaction with the final phase of preparation now underway with the issuance of these audited accounts. RGO have undertaken significant due diligence and the Board anticipates being able to make a further statement shortly after the publication of these accounts.

The Board continues to work closely with group companies, offering operational, expertise and financial support, enabling them to grow faster than otherwise might have been the case if standing alone.

I would like to express our gratitude to our employees, board members and shareholders for their efforts and continued support and for making our progress to date possible. I am also announcing my intention to stand down as a director as the forthcoming AGM.



R D Hewitt
Non Executive Chairman

CEO's REPORT

We are pleased to present our audited results for the period ended 31 December 2023. These have taken longer than expected and, similar to the prior year, have been complex due to a number of factors. These include the liquidation of our foreign German subsidiary, alongside impairment reviews across the acquisitions we have made in the last 2 years.

It is safe to say that the environment remained very tough, with a combination of issues such as wage and ingredients inflation, as well as general cost increases and headwinds that have contributed to a difficult period. We can now confirm that most areas have shown recent improvement and the businesses are slowly returning to more stable trading with growth and opportunity coming back into the plan. We have been focused on driving value from internal efficiencies and the supply chain and managing financial risk as opposed to aggressive growth plans in the recent market environment.

I am pleased to report a number of positives:

- 170% annualised revenue growth to £20m
- Launching of new products across the main brands Juvela and Pulsin
- Juvela remains on plan and profitable with an EBITDA in excess of £2m
- Market Rocket grew revenues 210% and launched its Marketverse platform
- Pulsin's cost-cutting exercise has concluded allowing for a return to profitability in early 2025
- Key decisions taken to discontinue certain smaller, capital-intensive businesses (OHSO, Livia's)

The first 3 years of the group's activity has seen significant growth in revenues through acquisition in what has been a difficult trading period:

| | |
|------------------|----------|
| 2021 | £1.6m |
| 2022 | £9.3m |
| 2023 (15 months) | £20.4m * |

Split of the £20m revenue for the current period

| | |
|-------------------------|-------|
| Juvela | £8.0m |
| Pulsin | £7.5m |
| Market Rocket | £3.7m |
| Purely | £0.4m |
| Discontinued operations | £0.8m |

* includes discontinued operations revenue

In order to meet our obligations to Hero for the final deferred payment for the acquisition of Juvela, to support central costs of a listed business and, to a lesser extent, to support trading, we sought to raise funding of £2.5 million in the last quarter of 2023. With equity markets not offering liquidity or value, we raised a total of £3 million of debt facilities in the following months, including £1 million of facilities from a Middle Eastern family office and £2 million of facilities from RGO alongside the announcement of RGO's potential acquisition of our subsidiaries and novation of liabilities. Given difficult market conditions, this was a testament to the underlying operating prospects of our businesses.

The Board continues to progress this important potential transaction (the "Transaction") in close collaboration with the Board of RGO. The Transaction that is proposed is intended to raise enough capital to settle all of the parent company's loans, leaving only the subsidiary loan at Juvela in place and approximately halving the financial debt carried by our group of businesses. The subsidiary loan at Juvela, which was used for its acquisition, has been reduced significantly through operating cashflow and as at December 2024 the amount owed to Shawbrook is now approximately £4m.

We continue to be very focused on the progress of our brands and, following the release of these audited accounts, we will update the market on the new products we are launching alongside recent and up-to-date progress for all the divisions.



S P Livingston
Chief Executive Officer

FINANCIAL REVIEW

Introduction

During the fifteen months ended 31 December 2023, the focus has continued to be on restoring the existing businesses to profitability, whilst integrating Juvela Limited into the group. Juvela and Market Rocket are both delivering positive EBITDA on a monthly basis and Pulsin is expected to achieve that by early 2025.

The group has grown its gross sales to £22.5m before trade discounts of £2m resulting in net sales of £20.5m. but sustained losses of £6.6m after costs of acquisition and impairments.

The loss includes some £0.5m of one-off costs comprising costs associated with acquisitions (£0.4m) and impairment of goodwill (£0.1m).

Trading margins improved across the group from 33% to 45%.

The directors do not propose to declare a dividend. The resultant loss represents a 5.04p (2022- 2.92p) loss per share in issue at the end of the financial period.

Comments on performance of our owned businesses:

PLANT BASED NUTRITION

Pulsin

Pulsin (www.pulsin.co.uk) is a well-established and highly respected plant-based nutrition company, excelling in plant-based nutrition technology, manufacturing and sales, with a focus on healthy protein bars, nutritional snacks and Keto bars. Pulsin formulates and produces high quality plant-based products under its own brands as well as for third parties, from its specialised facilities in Gloucester.

Pulsin's award-winning range of tasty snack bars, protein powders, keto products and shakes are packed full of feelgood nutritional goodness and balanced with the right amount of super ingredients. The Pulsin range is gluten free and suitable for vegetarians, with the majority being plant-based too. Pulsin never uses artificial ingredients, preservatives or palm oil. The products are available at most large retailers such as Sainsbury's, Tesco, Boots, Asda, Holland & Barrett and Ocado.

Pulsin had gross sales of approximately £7.5m in the fifteen months to 31 December 2023 (2022 - £7.5m). The lack of growth is a little disappointing, but the focus in bringing the business back to profitability has delayed the introduction of new products which were launched in 2024.

The business implemented a major shift in strategy during this period, moving focus away from lower margin contract manufacturing work towards driving growth and profitability of Pulsin-branded products. This involved a number of key initiatives including the termination of a loss-making contract with the largest private label customer, worth over £2m per annum in revenue.

The business was able to use this as an opportunity to fast track key Pulsin new projects, including the launch of 3 new premium flavoured protein powder products and the start of other projects to build on the success of the best-selling range of keto bars and powders. There was an increase in investment with key customer accounts, particularly Amazon, as part of a plan to drive more branded sales through online channels, which is considered key to the success of challenger food brands within the wellness sector.

Sales grew rapidly during this time but profitability dropped significantly as a result of increased marketing investment and margin support. Towards the end of this period the business undertook a major rationalisation of its operations. The reduction in contract manufacturing work enabled the business to exit the lease of a costly secondary storage and distribution site in Brockworth resulting in major savings for following year. Accordingly, the business has been able to start the next financial year with lower levels of overhead and marketing investment with renewed focus on building branded revenue and profitability as the key priority. The process of cost reduction and review of the supply chain during 2024 was a continuing feature as the business is moved to a more secure footing.

We Love Purely

We Love Purely is a UK-based plantain crisp brand with an emphasis on sustainability and natural ingredients. Available at many leading stores including Holland & Barrett, Ocado, Selfridges, Harvey Nichols, Harrods and Planet Organic.

The year has been one of resilience and strategic progress for We Love Purely. Despite facing several operational challenges, including production delays, extended customer payment cycles, and global shipping

disruptions, the company has managed to mitigate the impact on its turnover. While EBITDA reflects these operational pressures, the company has still achieved significant milestones that position it for future growth.

We Love Purely achieved a turnover of £0.4m for the 15 months to 31 December 2023, with an EBITDA loss of £247k. This compares to a turnover of £0.4m for the 12 months to 31 December 2022, with an EBITDA loss of £217k. Stabilising turnover under challenging circumstances marks a notable achievement. Key to this has been the strategic investment in launching products with major supermarket chains such as Holland & Barrett in the UK and Benelux. Additionally, the company secured new partnerships within the foodservice sector, including collaborations in the private jet catering market. The business's European footprint has also expanded significantly, with a stronger presence in Switzerland, the Netherlands, and Portugal.

The operational challenges faced were primarily linked to supply chain issues and the company has taken decisive steps to mitigate these risks in the future. Plans are underway to diversify the supplier base, which will reduce dependency on a single source and improve supply chain resilience. The business is also preparing to launch a new product line in a category outside snacking. This strategic move will not only differentiate the company's offering but also balance its risk profile.

The company has also made infrastructure improvements by establishing new storage and distribution arrangements and initiating discussions with a potential supply chain partner. These measures aim to enhance cost efficiency and operational effectiveness, setting the stage for a more profitable business model in the near term. Looking forward to the upcoming year, We Love Purely remains committed to driving growth through innovation, operational excellence, and strategic expansion.

Ohso Chocolate

Following continuing technical difficulties with the manufacturing process of the products and a consequential drop in sales revenues, it was decided that Ohso should be absorbed into Pulsin Limited. The turnover for this period of £0.09m was the result of winding down the company's operations and selling off any remaining stock. The accounts include an impairment of the remaining £0.03m of the original investment.

BAKERY DIVISION

Following the closure of Lizza in March 2023 any remaining net assets have been fully impaired and all intercompany debt written off. This leaves Juvela as the sole operating company within the bakery division, a business acquired in mid-December 2022.

Juvela

Juvela is a specialist bakery company producing a range of gluten-free flours and bakery products, mainly sold through the NHS prescription channel, where the company has a greater than 50% share of the market.

The business continues to perform in line with expectations, generating a turnover of £8m for the 12 months to 31 December 2023, with an EBITDA of £2.4m

Following the purchase of Juvela in December 2022, 2023 has been very much a stabilising year for the company and its markets, after leaving the Hero Group, its previous owner. Juvela was able to migrate away from some Hero-group suppliers for its bakery and consumer products and bring this supply solely into the UK. This was reflected in the company's stable turnover and EBITDA numbers for 2023.

2023 was the year that Juvela strengthened its team to get ready to attack the UK retail market and diversify the portfolio further from its standard prescription products. It developed a new NPD/Retail-focused team, recruiting an NPD manager and Sales Manager. It also started a process to build a new allergen-free bakery adjacent to its gluten-free bakery and this was ready for the successful retail launches in September 2024.

TECHNICAL SERVICES

Market Rocket Limited continues to grow and develop its range of services, especially its Marketverse platform, where it manages the online sales strategies for other companies on Amazon and other online platforms.

The company has experienced significant growth during the 15-month period to 31 December 2023, with turnover increasing to £3.7m. This was driven by strategic initiatives and operational expansion. While the

EBITDA % for the current period is down, compared to the previous comparable periods, this reflects our ongoing investment in scaling the business to support future growth.

Key drivers of this growth include the successful onboarding of both blue chip and market-disrupting new clients through our dedicated sales team, which leverages AI technology to prequalify leads and streamline the path to initial meetings. Additionally, the expansion of our “Marketverse” direct selling offering has opened new revenue streams, further solidifying our position as a leader in D2C support.

Notably, the last 15 months have marked our transition into a full-service D2C agency, offering off-Amazon services to complement our core Amazon expertise. We have secured key partnerships and accreditations with TikTok, Meta, Google, and Semrush, enhancing our capabilities alongside our established credentials as a member of the Amazon Service Provider Network and Verified Advertising Partner. These developments position us well for continued growth and innovation in the years ahead.

Cash flow and cash position

Up until recently, funding for the group activities has come from shareholder monies. The directors recognised the need for additional funding and organised a bridging loan of £1m in November 2023, whilst the negotiations to raise further capital of £2m, referred to in the CEO’s report, were being organised. Meanwhile, the Board continues to progress RGO’s potential acquisition of our subsidiaries and novation of liabilities in close collaboration with the Board of RGO. This is intended to raise enough capital to settle all of the parent companies loans, leaving only the subsidiary loan at Juvela in place and approximately halving the financial debt carried by our group of businesses.

INVESTMENTS

Coldpress Foods Limited

Coldpress continues to trade and there has been no impairment in the value of this investment.

Plant Punk

Despite an optimistic start, we were disappointed that the business failed to develop any products. Accordingly, the value of our 50% joint venture in Plant Punk has been fully impaired in these accounts.

CURRENT TRADING

Since the balance sheet date, the growth in all companies, together with the cost-cutting, efficiencies and rationalisations being implemented are all beginning to bear fruit.

PRINCIPAL RISKS AND UNCERTAINTIES

Our key risks can be summarised as follows:

| Risk | Impact | Mitigation |
|-----------------------------|--|---|
| Foreign exchange | Currency volatility impacts our cost of goods in We Love Purely as the product is sourced in US dollars. There is also some impact on European sales in Euros for Pulsin, We Love Purely and Juvela. | The Group does not hedge its foreign exchange exposures. We keep exchange risk under review and as sales grow for the Group we will be looking to lock in exchange rates. |
| Key Suppliers | Risk that failure of supply by a major supplier would impact on our ability to service our customers. | This is not an issue for the group save for We Love Purely which is reliant on mainly one supplier. The position is regularly reviewed. |
| War in Ukraine | Initially the outbreak of war caused a temporary delay in supplies and also increased the prices. This has now receded. | We continue to be aware and look for alternative sources of materials. |
| Credit and Liquidity risks | Lack of working capital would impact the group's ability to acquire goods and services. | Where issues arise, we work with suppliers to ensure continued supply, in some cases rescheduling the payment terms. The group is working on a capital raising project that should leave it with access to additional funds to alleviate this issue |
| Insurance / Regulatory risk | Loss occasioned by product issues and normal commercial risks | All our businesses carry appropriate insurance cover for product liability and other risks. |

SECTION 172 STATEMENT

The Board of Directors, in line with their duties under section 172 of the Companies Act 2016, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in this annual report, and below, how the Board engages with stakeholders.

The Board regularly reviews the Company's principal stakeholders and how it engages with them. This is achieved through information provided by management and also by direct engagement with stakeholders themselves.

The table below sets out some examples of how the directors have exercised this duty:

| Stakeholder | How we engage |
|---|---|
| Our Shareholders The Board and Executive Management Team maintains strong relationships with investors and supports open channels of communication. | The Company proactively engages in dialogue with shareholders. Since the IPO in September 2021, the CEO has participated in number of investor presentations and at various other investment led events. Our next AGM will be held during the week commencing 3 rd February 2025. This will provide an opportunity for shareholders to meet the directors and discuss the year's results. Website and shareholder communications Further details on the Group, our business and key financial dates can be found on our corporate website: https://www.s-venturesplc.com/ |
| Our People Our employees are at the core of all that we do. | At S-Ventures, we believe that our strength comes from our staff and success comes from shared goals and values. We are proud to celebrate the diversity of our employees and work hard to empower our workforce and to create a positive and inclusive culture within which our teams can grow. The sustainable success of the business is dependent upon the development of and investment in our teams of highly talented and dedicated employees. Our teams are kept fully informed of the business' performance, operational and strategic initiatives through newsletters and quarterly townhalls. We continually strive to maintain open communication and encourage collaboration from all our employees. |
| Our Customers and Brand partners Communication with our customers and brand partners is fundamental to understanding how we can continue to add value through the products and in the services we provide. | The trust of our customers and partners is fundamental to our success. We are committed to building innovative customer-led technology solutions and products. We maintain a strong relationship with our partners through our dedicated accounts management team. Through regular meetings and conversations, we regularly review their feedback which enables us to improve the services and solutions we provide. |
| Our Suppliers The relationship we have with our suppliers is key to ensuring that the quality of the products we deliver to our customers are maintained at a high standard and the delivery is managed for the smooth-running of our business and its operations | We rely on suppliers and logistics partners across a number of geographical locations. Throughout the year we continue to work closely with our key suppliers and logistics partners to manage those relationships with clear communications to ensure the high quality of our products and services are maintained. |

The directors present their report with the financial statements of the company and the group for the 15 months ended 31 December 2023.

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2023.

FUTURE DEVELOPMENTS

Details of the Group's future developments are contained in the Strategic report set out above.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in Note 37 to the financial statements.

DIRECTORS

The directors who have held office during the period to the date of this report are as follows:

S Argent (appointed 29 August 2023)
B Choudhrie
R D Hewitt
S P Livingston
D M Mitchell (resigned 15 January 2024)
N A D'Onofrio (resigned 26 July 2023)
A J B Phillips

REMUNERATION COMMITTEE REPORT

The Remuneration Committee has responsibility for determining, within the agreed terms of reference, the Group's policy on the remuneration packages of the Company's Chairman, and the executive directors and such other members of the senior management as it is designated to consider. The Remuneration Committee also has responsibility for determining (within the terms of the Group's policy and in consultation with the Chairman of the board and/or the Chief Executive Officer) the total individual remuneration package for each executive director and other senior managers (including bonuses, incentive payments and share options or other share awards). The remuneration of non-executive directors is a matter for the independent board. No director or manager will be allowed to partake in any discussions as to their own remuneration. In exercising this role, the directors shall have regard to the recommendations put forward in the relevant QCA Guidelines.

In the 15 months to 31 December 2023, the Remuneration Committee consisted of the Non-Executive Chairman and two non-executive directors: David Mitchell, Alex Phillips and Bhanu Choudhrie. The Remuneration Committee is convened not less than twice a year and otherwise as required. The Committee met twice during the period ended 31 December 2023.

Directors' Remuneration Policy

The Committee takes into account both Group and individual performance, market value and sector conditions in determining director and senior employee remuneration. The Committee has maintained a policy of paying salaries comparable with peer companies in the sector in order to attract and retain key personnel.

For the first part of the period under review, these costs were kept very low reflecting the Group strategy of building for the future. In future periods, salary costs are likely to rise.

Directors remuneration

15 months ended 31 December 2023

| Executive directors | Salary | Pension | Benefits | Bonus | Total |
|---------------------|---------|---------|----------|-------|---------|
| Scott Livingston | 150,000 | 7,500 | 22,500 | - | 180,000 |
| Robert Hewitt | 75,000 | - | - | - | 75,000 |
| Stephen Argent | 40,000 | - | - | - | 40,000 |

Prior period year ended 30 September 2022:

| Executive directors | Salary | Pension | Benefits | Bonus | Total |
|---------------------|---------|---------|----------|-------|---------|
| Scott Livingston | 124,333 | - | 1,894 | - | 126,226 |
| Robert Hewitt | 60,000 | - | - | - | 60,000 |

Fees payable

| Non- executive directors | 15 months ended 31 December 2023 | Year ended 30 September 2022 |
|--------------------------|-------------------------------------|---------------------------------|
| David Mitchell | 50,168 | 30,000 |
| Alex Phillips | 20,758 | 12,000 |
| Nick D'Onofrio | - | 12,000 |
| Bhanu Choudhrie | 23,000 | 12,000 |

Service Contracts and non-executive directors' Letters of Appointment

The executive directors have rolling contracts that are terminable on 12 months' notice. These contracts are not fixed term and will be reviewed annually. The chairman has an agreement entitling him to £30,000 pa and the other non-executive directors have agreements entitling them to fees of £12,000 pa. Fees of £1,000 per month were accrued for services provided in the current period.

During the 15 months ended 31 December 2023, there were 13 minuted Board meetings plus a further 2 informal meetings.

Directors' interests as at 31 December 2023

| Director | Ordinary shares directly held | % of Issued Share Capital | Warrants at 25p | Options |
|------------------|----------------------------------|------------------------------|-----------------|---------|
| Scott Livingston | 46,749,108 | 35.4% | - | - |
| Robert Hewitt | 2,332,003 | 1.8% | - | - |
| David Mitchell | 1,926,859 | 1.5% | - | - |
| Alex Phillips | 2,746,000 | 2.1% | - | - |
| Nick D'Onofrio | 2,750,000 | 2.1% | - | - |
| Bhanu Choudhrie | - | - | - | - |

| | |
|---|-------------|
| Number of shares in issue at 31 December 2023 | 132,215,587 |
| Number in issue at date of this report | 132,215,587 |

Share Options and Warrants

There is one set of warrants exercisable at 4p and an option exercisable at 15p.

| | As at 31 December 2023 | As at the date of this report |
|---|------------------------|-------------------------------|
| Shares in issue | 132,215,687 | 132,215,587 |
| Warrants for shares | 737,800 | 737,800 |
| Share Options | 66,666 | 66,666 |
| Diluted number of shares | 133,020,053 | 133,020,053 |
| Percentage of Warrants and Options in expanded equity | 0.6% | 0.6% |

Shareholder Approval of Directors' Remuneration Report

Shareholders are asked to approve this directors' Remuneration Report for the period ended 31 December 2023 at the forthcoming Annual General Meeting. This resolution is advisory in nature.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

Introduction

We are pleased to set out below the Corporate Governance Report for the 15 months ended 31 December 2023. As an AQSE quoted company, we recognise the importance of sound corporate governance in supporting and delivering the strategy of the Company and its subsidiaries (together the "Group"). This involves managing the Group in an efficient manner for the benefit of its shareholders and other stakeholders whilst maintaining a corporate culture which is consistent with our values.

The Company adopted the QCA Corporate Governance Code ("QCA Code") on its initial listing. The Company's Corporate Governance Statement is available to view on the Company's website at www.s-venturesplc.com

The board of directors is responsible for the long-term success of the Company and, as such, devises the Group strategy and ensures that it is implemented. The board is determined that the Company protects and respects the interests of all stakeholders and in particular, is very focused upon creating the right environment for its employees. We want a happy workplace and we want our employees to be fully and properly rewarded and to feel that they are an integral part of the S-Ventures family. A reward structure is in place which, inter alia, allows for the grant of share options, enabling members of staff to participate in the growth of the Company, as appropriate.

We want our suppliers, who are an essential part of the Company, to also feel part of the S-Ventures family and we work closely with them to ensure that this is the case. Above all, the Company wishes to ensure that shareholders obtain a good return on their investment and that the Company is managed for the long-term benefit of all shareholders and other stakeholders. Appropriate Corporate Governance procedures will ensure that that is the case and reduce the risk of failure.

The Development of the Code for S-Ventures

The QCA sets out 10 principles which the Board is working on to expand into an effective document to cover all areas of the Group's business. During 2023 the board reviewed whether the Quoted Companies Alliance (QCA) code remains appropriate to continue following, the substitute that was considered was the UK Corporate Governance Code published by the Financial Reporting Council (FRC). Due to the size of the Company and the prescriptive nature of the UK Corporate Governance Code a decision was made to continue abiding by the QCA code.

The Group has a clear mandate to optimise the allocation of resources to support its development and growth plans seeking to maintain a balance between its resources and maintaining robust corporate governance practices. As the Group evolves, the Board is committed to enhancing the Company's policies and practices appropriate for the size and maturity of its business and organisation.

Set out below are the Group's corporate governance practices for the 15 months ended 31 December 2023.

1. Business strategy

The business model involves seeking out strong brands or products with a clear market message within the wellness sector. To date this has meant focusing of healthy snacks market. Conscious of present trends in plant-based foods, the products should be both better for the consumer and also have a better carbon and / or health benefit than competing products. By being in the forefront of these trends, the Board considers that shareholder value will be promoted.

2. Shareholder needs

Other than promoting growth and thus shareholder value, we aim to develop ways of communicating effectively with our shareholders to ensure we are developing appropriately. As the group grows this will become more important; for the time being, this is achieved by data on our website, press notices and the full presentation of our annual accounts.

3. Wider responsibilities, such as social responsibility

With both our existing and new products, our teams are focused on bringing products to market using responsibly sources raw materials and packaging materials.

4. Risk Management

We consider risk management at two levels. Firstly, we ensure that all our products are made to appropriate and up to date food hygiene standards. Secondly, we have implemented reporting and management systems appropriate to a Group of our size at both the operating company level and main board level. We have ensured that the group carries appropriate insurance covers.

Secondly, the main Board has set up committees which include non-executive directors for investment decisions, remuneration and audit. Whilst the Investment Committee sift possible targets, all offers are approved by the full main Board.

5. The Board

The Board members are listed on page 1. The board meets regularly online and in person. During the 15 months ended 31 December 2023, there have been 13 minuted Board meetings plus a further 2 informal minuted meetings.

New board appointments would be considered by the CEO and Chairman before consulting with the whole Board.

The full formal Board meetings have a formal structure covering recent developments, present finance and funding issues, acquisition policies and progress together with any shareholder or exchange issues reported by our advisors or which need to be passed on to them.

6. Board skills

The Directors have a wide range of skills including experience of the retail and online sales structures and the non-executive directors are able to bring to bear their knowledge gained in the wider M&A marketplace. As the Company is in the retail and online sector these are considered to the most appropriate skills.

Below the board, we have skilled managers in the Manufacturing units and also experts in online selling to manage the digital presence of the constituent businesses of the group.

The Board regularly reviews the skills needed to run and develop the group's activities.

7. Evaluate board performance

Based on clear and relevant objectives, seeking continuous improvement. Now S-Ventures has been operating since July 2020, the Board plans to put in place a more rigorous evaluation for the subsequent financial year. The proposed evaluation is a formal internal evaluation consisting of the following:

- Attendance of directors to Board meetings;
- Questionnaires completed by each director to determine the boards effectiveness; and
- One-on-one discussions with the Chairman

The questionnaire mentioned above is anonymised to promote honesty in answering the questions that are being posed to the directors. Oversight and implementation of actions identified from the questionnaire are

to be completed by the Company Secretary. Should external insight be required to facilitate this evaluation then this will take place however, in the current financial year this was not deemed necessary.

In addition to this, succession planning also forms part of our evaluation of the Board to ensure all directors are aware of what would occur should a prescribed scenario arise.

8. Promote a corporate culture

Based on ethical values and behaviours.

Since S-Ventures was founded the Board has been insistent on ensuring that ethical values and good behaviour within the Company is promoted and maintained throughout the organisation and that they guide the Company's day-to-day operations, as well as business objectives and strategy.

S-Ventures ethical values are promoted to employees from inception at the interview process through to employment regardless of the working arrangement. S-Ventures ethical values also hold true for businesses which we acquire or invest in, should customers, suppliers or partners not adhere to S-Ventures ethical values business transactions will not cease. S-Ventures has an open-door policy and a flat organisation structure to ensure all employees are empowered to speak their opinion in a comfortable and accepting environment. All employees' contracts whether employed directly by S-Ventures or by one of our businesses contain further information on the values and behaviours expected from staff.

9. Maintain governance structures

With processes that are fit for purpose and support good decision-making by the board

The S-Ventures Chief Executive Officer, Chief Financial Officer and senior management are accountable for the day-to-day operations of the business and for the implementation of the strategic goals agreed by the Board of directors. The Chairman leads the Board and is responsible for its governance structures, performance, and effectiveness. The Chairman is also responsible for ensuring that the links between the Board and the shareholders, are strong and efficient.

10. Communication

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The board recognises that the AGM is an important opportunity to meet private shareholders. Each substantial issue is the subject of a separate resolution at the AGM and all shareholders have the opportunity to put questions to the board. All board directors will endeavour to attend AGMs and answer questions put to them which may be relevant to their responsibilities.

The share ownership of majority shareholders can be found on the S-Ventures website using the following link ([www. S-Ventures/Investor-Information](http://www.S-Ventures/Investor-Information)) shareholders are communicated through the Annual Report and Accounts, full-year and half-year announcements, social media posts that are displayed on the S-Ventures website and on acquired companies social media, the AGM and individual/group meetings with existing or potential new shareholders. A plethora of corporate information on S-Ventures and on acquired companies can be found on the S-Ventures website using the above following link.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 are required to prepare the Group and Company Financial Statements in accordance with UK-adopted international accounting standards and as regards the Company financial statements, as applied in accordance with the requirements of the Companies Act 2006.

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 the group and of the profit or loss of the group and the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the applicable UK-adopted international accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

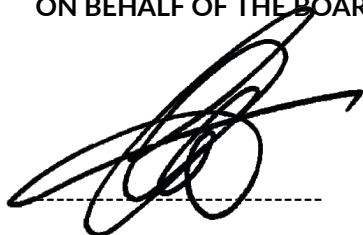
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, RPG Crouch Chapman LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'Stephen Argent', written over a horizontal dashed line.

Stephen Argent
Chief Financial Officer

Date: 7 January 2025

Qualified Opinion

We have audited the financial statements of S-Ventures PLC (the 'Company') and its subsidiaries (the 'Group') for the period ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Statement of Cash Flows 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 UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006, and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We were not appointed as auditor of the group and company until after 31 December 2023 and thus did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held by Pulsin Limited and Market Rocket Limited at 31 December 2023, which are included in the consolidated balance sheet at £1,074,886, by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount was necessary. Were any adjustment to the inventory balance to be required, the strategic report would also need to be amended.

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 group 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 as applied to listed entities, 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.

Material uncertainty related to going concern

We draw attention to Note 2.4 in the accounting policies, concerning the Group's ability to continue as a going concern. The matters explained in Note 2.4 indicate that the directors have prepared working capital forecasts that indicate that the Group has sufficient working capital, cash resources and credit facilities to continue operating for the foreseeable future. These forecasts anticipate the completion of a reverse takeover transaction in the coming months. As at the date of approval of these financial statements there are no legally binding agreements committing the parties to the reverse takeover transaction. These events or conditions along with the matters set forth in Note 2.4 indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We have highlighted going concern as a key audit matter. In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Analysing the Directors' cashflow forecast which forms the basis of their assessment that the going concern basis of preparation remains appropriate for the preparation of the Group and Company

financial statements for a period of at least twelve months from the date of approval of these financial statements;

- Assessing the assumptions included within the cashflow forecast and where available agreeing these costs to other evidence obtained during the course of our audit work is in line with our expectations;
- Obtaining details of successful fundraising since the year end;
- Discussing with Management and the Board the Group's strategy to continue fundraising, and any alternative sources of funds available to the Group; and
- Reviewing and considering the adequacy of the disclosure within the financial statements relating to the Directors' assessment of the going concern basis of preparation.

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

Our approach to the audit

In planning our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to issue an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which they operate.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement we identified (whether or not due to fraud), including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The use of the going concern basis of accounting was assessed as a key audit matter and has already been covered in an earlier section of this report.

In addition to the matter described in the basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our work addressed this matter |
|--|---|
| <p>Management override of controls</p> <p>Management override of controls is a presumed risk of fraud under the International Auditing Standards.</p> <p>Professional standards require us to communicate the fraud risk from management override of controls as significant because management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> | <p>Our audit work included:</p> <ul style="list-style-type: none"> • Obtaining a list of manual journals entered into the accounting system in the year and reviewing a sample of these against a range of different criteria. • Reviewing management estimates, judgements and significant accounting policies for undue bias in the financial statements. • Develop an understanding of the internal financial procedures, systems and controls in place across the Group. • Reviewed unadjusted audit differences and proposed audit adjustments for indications of management bias or deliberate misstatement. |

| | |
|---|---|
| <p>Revenue recognition</p> <p>Revenue recognition is a presumed risk of fraud under the International Auditing Standards.</p> <p>The Group has revenue from a variety of sources including food manufacturing and online marketing.</p> | <p>Our audit work included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the sales systems in place across the Group. • Testing cut-off for revenue by identifying dispatches of inventories around the year end and verifying recognition of revenue is consistent with IFRS 15: Revenue. • Using a larger sample size for transaction testing of revenue to address the elevated risk • Reviewing accounting policies and disclosures. |
| <p>Valuation of investments in subsidiaries and associated undertakings</p> <p>The Parent Company, and S-Ventures Acquisitions Limited, an intermediate holding company within the Group, holds investments in subsidiaries and associated undertakings.</p> <p>The carrying value of investments are ultimately dependent on the performance of those subsidiaries and associates.</p> <p>The Group companies have receivable and payable balances with each other that are material on a Group basis.</p> <p>The valuation and recoverability of these amounts is therefore a risk, on the basis that their values may be impaired or not fully recoverable.</p> | <p>Our audit work included:</p> <ul style="list-style-type: none"> • Obtaining documentary evidence to support the ownership of subsidiaries. • Considered the valuation of investments in the context of the net assets and profitability of the companies. • Reviewed other evidence from internal and external sources to support the valuation of subsidiary companies. • Reviewed management's impairment assessments and the completeness of provisions made against investments in discontinued or aborted associates. |
| <p>Valuation of intangible assets</p> <p>The consolidated balance sheet includes £3.5m of goodwill, £7.6m of acquired intangible assets arising from the acquisition of Juvela Limited, and £613K of internally developed assets with respect of Pulsin Limited.</p> <p>These intangible assets represent a substantial proportion of the Group's net assets. Valuing the intangible assets is a subjective exercise and significant assumptions are required, which have a material impact on the valuation of those intangible assets.</p> | <p>Our audit work included:</p> <ul style="list-style-type: none"> • Obtained management's PPA allocation assessment and reviewed the valuation methods for reasonableness. • Ensured that internally generated assets are capitalised and measured in accordance with recognition criteria in IAS 38. Challenged the continued existence of intangible assets based on internal and external evidence of commercial and technical feasibility via inquiry and discussion with management. • Reviewed and assessed the assumptions implicit within impairment reviews for reasonableness. |
| <p>Valuation of inventories</p> <p>As described in note 2.15 the Group values inventory at the lower of cost and realisable value, and provides for obsolete and slow moving inventory.</p> <p>By its nature, the inventory held by the Group is perishable, which puts increased importance on the Group's processes for identifying inventory that needs to be provided for or written off.</p> | <p>Our audit work included:</p> <ul style="list-style-type: none"> • Developing an understanding of the stock valuation policies in place across the Group. • Testing a sample of inventory items to the underlying costs involved in the purchase and production of inventory. • Testing a sample of inventory items to sales after the year end to support the valuation in the financial statements. |

| | |
|--|---|
| | <ul style="list-style-type: none"> • Reviewing stock provisions at the year end, and reviewing write-offs after the year end to assess whether subsequent inventory write-offs revealed additional evidence of conditions prevailing at the year end. • Challenging management's assumptions as to recoverability of packaging stock. |
|--|---|

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We consider turnover to be the most significant determinant of the Group's financial performance used by the users of the financial statements, and gross assets to be the most significant determinant of the Parent Company's financial performance. We have based materiality for the Group on 0.75% of turnover and 1.5% of gross assets for the Parent Company. Overall materiality was therefore set at £295,000 for the Group, and at £198,000 for the Parent Company. Performance materiality was set at a threshold between 50% and 75% of materiality depending on the determined audit risk of the financial statement area in question. Significant audit risk areas (revenue recognition and management override) were audited to a 50% performance materiality threshold with remaining areas subject to a 75% performance materiality threshold.

We agreed with the Audit Committee that we would report on all differences in excess of 5% of materiality relating to the financial statements. We also report to the Audit Committee on financial statement disclosure matters identified when assessing the overall consistency and presentation of the financial statements.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the 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.
- The part of the Director's Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, 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, the Directors' Report or the Director's Remuneration Report.

Arising solely from the limitation on the scope of our work relating to inventory, referred to as above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page XX to XX 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Enquiries of management, including obtaining and reviewing supporting documentation concerning the Company's policies and procedures relating to;
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - Detecting to and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- Discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures included within the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and IFRS.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group and Company's ability to operate or to avoid a material penalty. These included food safety regulations, health and safety regulations, employment law, data protection regulations and general trading laws in the UK.

As a result of these procedures we consider the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition, management override of controls, investment valuation, intangible assets valuation, and inventories valuation.

Our procedures to respond to these risks identified included the following;

- Reviewing the financial statement disclosures and testing these to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements,
- Enquiring with management concerning actual and potential litigation claims,
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud,
- Agreeing investment and intangible valuations to supporting documentation and recalculating,
- Reviewing management impairment assessments and challenging assumptions made to ensure valuations of intangibles and investments are reasonable,
- Reviewing the Group's methodology for valuing inventories, particularly in relation to production overheads absorbed into inventory at the year end, and reviewing the adequacy of provisions for slow moving inventory,
- Reviewing board minutes and legal and professional fees during the year and any subsequent to the year end to identify any potential litigation not previously disclosed,
- Communicating with component auditors to ensure that the engagement team collectively had the appropriate capabilities to identify or recognise non-compliance with laws and regulations across the Group,
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments for evidence of management override/bias and agreeing these to supporting documentation, and
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the rationale of any significant transactions that are deemed unusual or outside of the normal course of the Company's operations.

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

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

Other matters that we are required to address

We were appointed on 21 June 2024 and this is the first year of our engagement as auditors for the Group and Company.

We confirm that we are independent of the Group and Company and have not provided any prohibited non-audit services, as defined by the Ethical Standard issued by the Financial Reporting Council as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with these requirements.

Our audit report is consistent with our additional report to the Audit Committee explaining the results of our audit.

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.

RPG Crouch Chapman LLP

Paul Randall FCA (Senior Statutory Auditor)

For and on behalf of RPG Crouch Chapman LLP

Chartered Accountants

Registered Auditor

40 Gracechurch Street

London

EC3V 0BT

7 January 2025

Historical Financial Information of the Group
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 15 months ended 31 December 2023

| | Note | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|--|------|---|---|
| Continuing operations | | | |
| Revenue | 4 | 19,658 | 7,628 |
| Cost of sales | | (10,300) | (5,040) |
| Gross profit | | 9,358 | 2,588 |
| Other operating income | 5 | 90 | 45 |
| Gain / (loss) on disposal | | (111) | - |
| Gain on settlement of loan notes | 7 | - | 645 |
| Operating expenses | | (9,929) | (4,573) |
| Earnings before interest, taxation, depreciation and amortisation | | (592) | (1,295) |
| Depreciation, amortisation and impairment | | (2,210) | (862) |
| Finance costs - net | 8 | (1,243) | (73) |
| Loss before taxation | 9 | (4,045) | (2,230) |
| Income tax | 11 | (399) | (152) |
| Loss for the period – continuing operations | | (4,444) | (2,382) |
| Loss after tax from discontinued operations | 30 | (2,191) | (1,074) |
| Loss for the period | | (6,635) | (3,456) |
| <i>Loss attributable to:</i> | | | |
| Owners of the parent | | (6,597) | (3,323) |
| Non-controlling interests | | (38) | (133) |
| Loss for the period | | (6,635) | (3,456) |
| Other comprehensive income | | - | - |
| Total comprehensive loss for the period | | (6,635) | (3,456) |
| <i>Total comprehensive loss attributable to:</i> | | | |
| Owners of the parent – continuing | | (4,406) | (2,249) |
| Owners of the parent – discontinuing | | (2,191) | (1,074) |
| Non-controlling interests | | (38) | (133) |
| | | (6,635) | (3,456) |
| Basic earnings per share - pence | 13 | (5.04) | (2.92) |

The accompanying notes on pages 34 to 65 form part of the financial statements.

STATEMENT OF FINANCIAL POSITION
Company number 12723377 in England and Wales
As at 31 December 2023

| GROUP | | As at 31 December 2023 £'000 | As at 30 September 2022 £'000 |
|-------------------------------------|------|---------------------------------------|--|
| | Note | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Goodwill | 16 | 3,463 | 3,898 |
| Intangible assets | 17 | 7,619 | 2,990 |
| Property, plant and equipment | 18 | 2,204 | 2,027 |
| Right of use asset | 27 | 1,233 | 1,419 |
| Investments | 19 | 30 | 30 |
| Total non-current assets | | 14,549 | 10,364 |
| CURRENT ASSETS | | | |
| Inventories | 20 | 1,856 | 1,647 |
| Trade and other receivables | 21 | 2,882 | 2,599 |
| Cash and cash equivalents | 22 | 305 | 1,782 |
| Total current assets | | 5,043 | 6,028 |
| Assets from discontinued operations | 30 | 60 | - |
| TOTAL ASSETS | | 19,652 | 16,392 |
| EQUITY | | | |
| SHAREHOLDERS EQUITY | | | |
| Called up share capital | 23 | 132 | 126 |
| Share premium | 23 | 14,708 | 13,509 |
| Share based payment reserve | 24 | 8 | 11 |
| Consideration for investment | 24 | 112 | 112 |
| Retained deficit | | (10,825) | (4,228) |
| Total equity | | 4,135 | 9,530 |
| Non-controlling interests | | (72) | (34) |
| TOTAL EQUITY | | 4,063 | 9,496 |

STATEMENT OF FINANCIAL POSITION
Company number 12723377 in England and Wales
As at 31 December 2023

| GROUP | | As at 31 December 2023 £'000 | As at 30 September 2022 £'000 |
|--|------|---------------------------------------|--|
| | Note | | |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Financial liabilities: | | | |
| Interest bearing loans and borrowings | 26 | 6,369 | 192 |
| Lease liability | 29 | 336 | 1,686 |
| Provision | | 440 | - |
| Total non-current liabilities | | 7,145 | 1,878 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 25 | 5,328 | 3,263 |
| Financial liabilities - borrowings | | | |
| Bank overdrafts | 26 | - | 276 |
| Interest bearing loans and borrowings | 26 | 1,582 | 722 |
| Lease liability | 29 | 1,340 | 434 |
| Tax payable | 11 | - | 323 |
| Total current liabilities | | 8,250 | 5,018 |
| Liabilities from discontinued operations | 30 | 194 | - |
| TOTAL LIABILITIES | | 15,589 | 6,896 |
| TOTAL EQUITY AND LIABILITIES | | 19,652 | 16,392 |

The financial statements were approved by the Board of Directors and authorised for issue on 7 January 2025 and were signed on its behalf by:



S Argent – Director

The accompanying notes on pages 34 to 65 form part of the financial statements.

STATEMENT OF FINANCIAL POSITION
Company number 12723377 in England and Wales
As at 31 December 2023

| COMPANY | | As at 31 December 2023 £'000 | As at 30 September 2022 £'000 |
|-------------------------------------|------|---------------------------------------|--|
| | Note | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 18 | 17 | 22 |
| Investments | 19 | 3,456 | 8,403 |
| | | <u>3,473</u> | <u>8,425</u> |
| CURRENT ASSETS | | | |
| Trade and other receivables | 21 | 5,683 | 3,064 |
| Cash and cash equivalents | 22 | 22 | 1,723 |
| | | <u>5,705</u> | <u>4,787</u> |
| TOTAL ASSETS | | <u>9,178</u> | <u>13,212</u> |
| EQUITY | | | |
| SHAREHOLDERS EQUITY | | | |
| Called up share capital | 23 | 132 | 126 |
| Share premium | 23 | 14,708 | 13,509 |
| Share based payment reserve | 24 | 8 | 11 |
| Consideration for investment | 24 | 112 | 112 |
| Retained deficit | | (10,783) | (1,819) |
| TOTAL EQUITY | | <u>4,177</u> | <u>11,939</u> |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 26 | 1,709 | - |
| Provisions | | 354 | - |
| | | <u>2,063</u> | <u>-</u> |
| CURRENT LIABILITIES | | | |
| Borrowings | 26 | 402 | - |
| Trade and other payables | 27 | 2,536 | 1,273 |
| | | <u>2,938</u> | <u>1,273</u> |
| TOTAL LIABILITIES | | <u>5,001</u> | <u>1,273</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>9,178</u> | <u>13,212</u> |

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company profit and loss account. The Parent Company loss for the period was £8,964,000 (2022: loss of £1,350,000).

The financial statements were approved by the Board of Directors and authorised for issue on 7 January 2025 and were signed on its behalf by:

S Argent – Director

The accompanying notes on pages 34 to 65 form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2023

| GROUP | Share capital £'000 | Share premium £'000 | Share based payment reserve £'000 | Equity component of debt £'000 | Contingent equity settled consideration for investment £'000 | Retained deficit £'000 | Total £'000 | Non-controlling interest £'000 | Total £'000 |
|---|--------------------------------|--------------------------------|--|---|---|-----------------------------------|------------------------|---|------------------------|
| Balance as at 1 October 2021 (restated) | 111 | 6,490 | 40 | 2,058 | 34 | (785) | 7,948 | (77) | 7,871 |
| Loss for the period | - | - | - | - | - | (3,323) | (3,323) | (133) | (3,456) |
| Total comprehensive loss for the period | - | - | - | - | - | (3,323) | (3,323) | (133) | (3,456) |
| Issue of share capital | 7 | 4,993 | - | - | - | - | 5,000 | - | 5,000 |
| Share warrants exercised | 1 | 24 | (14) | - | - | 14 | 25 | - | 25 |
| Share options exercised | 1 | 48 | (15) | - | - | 15 | 49 | - | 49 |
| Shares issued for consideration for acq'n | 5 | 1,905 | - | - | - | - | 1,910 | - | 1,910 |
| Share issue for services | 1 | 49 | - | - | - | - | 50 | - | 50 |
| Equity consideration for step acquisition of non-controlling interest | - | - | - | - | - | (149) | (149) | 149 | - |
| Reduction in non-controlling interest from step acquisition | - | - | - | - | - | - | - | (49) | (49) |
| Shares issued in settlement of convertible loans | - | - | - | (1,013) | - | - | (1,013) | - | (1,013) |
| Cash settlement of convertible loans | - | - | - | (400) | - | - | (400) | - | (400) |
| Gain on settlement of convertible loans | - | - | - | (645) | - | - | (645) | - | (645) |
| Consideration for subsidiary | - | - | - | - | 112 | - | 112 | - | 112 |
| Reversal of contingent consideration due to settlement agreement | - | - | - | - | (34) | - | (34) | - | (34) |
| Price allocation adjustment to non-controlling interests proportion of net assets | - | - | - | - | - | - | - | 76 | 76 |
| Total transactions with owners | 15 | 7,019 | (29) | (2,058) | 78 | (120) | 4,905 | 176 | 5,081 |
| Balance as at 30 September 2022 | 126 | 13,509 | 11 | - | 112 | (4,228) | 9,530 | (34) | 9,496 |

STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2023

| GROUP | Share capital £'000 | Share premium £'000 | Share based payment reserve £'000 | Contingent equity settled consideration for investment £'000 | Retained deficit £'000 | Total £'000 | Non-controlling interest £'000 | Total £'000 |
|---|------------------------|------------------------|--------------------------------------|---|---------------------------|----------------|-----------------------------------|----------------|
| Balance as at 30 September 2022 (cont.) | 126 | 13,509 | 11 | 112 | (4,228) | 9,530 | (34) | 9,496 |
| Loss for the period | - | - | - | - | (6,597) | (6,597) | (38) | (6,635) |
| Comprehensive loss | - | - | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | - | (6,597) | (6,597) | (38) | (6,635) |
| Share warrants exercised | 1 | 354 | (3) | - | - | 352 | - | 352 |
| Shares issued for consideration for acq'n | 5 | 845 | - | - | - | 850 | - | 850 |
| Total transactions with owners | 6 | 1,199 | (3) | - | - | 1,202 | - | 1,202 |
| Balance as at 31 December 2023 | 132 | 14,708 | 8 | 112 | (10,825) | 4,135 | (72) | 4,063 |

The accompanying notes on pages 34 to 65 form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2023

COMPANY

| | Share capital £'000 | Share premium £'000 | Share based payment reserve £'000 | Equity component of debt £'000 | Contingent equity settled consideration for investment £'000 | Retained deficit £'000 | Total £'000 |
|--|---------------------------|---------------------------|---|---|--|------------------------------|----------------|
| Balance as at 1 October 2021 (restated) | 111 | 6,490 | 40 | 2,058 | 34 | (498) | 8,235 |
| Loss for the period | - | - | - | - | - | (1,350) | (1,350) |
| Total comprehensive loss for the period | - | - | - | - | - | (1,350) | (1,350) |
| Issue of share capital | 7 | 4,993 | - | - | - | - | 5,000 |
| Share warrants exercised | 1 | 24 | (14) | - | - | 14 | 25 |
| Share options exercised and expired | 1 | 48 | (15) | - | - | 15 | 49 |
| Shares issued for consideration for acq'n | 5 | 1,905 | - | - | - | - | 1,910 |
| Share issue for services | 1 | 49 | - | - | - | - | 50 |
| Shares issued in settlement of convertible loans | - | - | - | (1,013) | - | - | (1,013) |
| Cash settlement of convertible loans | - | - | - | (400) | - | - | (400) |
| Gain on settlement of convertible loans | - | - | - | (645) | - | - | (645) |
| Contingent equity-settled consideration for subsidiary | - | - | - | - | 112 | - | 112 |
| Reversal of contingent consideration due to settlement agreement | - | - | - | - | (34) | - | (34) |
| Total transactions with owners | 15 | 7,019 | (29) | (2,058) | 78 | 29 | 5,054 |
| Balance as at 30 September 2022 | 126 | 13,509 | 11 | - | 112 | (1,819) | 11,939 |

STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2023

COMPANY

| | Share capital £'000 | Share premium £'000 | Share based payment reserve £'000 | Contingent equity settled consideration for investment £'000 | Retained deficit £'000 | Total £'000 |
|---|---------------------------|---------------------------|--|---|------------------------------|----------------|
| Balance as at 1 October 2022 | 126 | 13,509 | 11 | 112 | (1,819) | 11,939 |
| Loss for the period | - | - | - | - | (8,964) | (8,964) |
| Total comprehensive loss for the period | - | - | - | - | (8,964) | (8,964) |
| Share warrants exercised | 1 | 354 | (3) | - | - | 352 |
| Shares issued for consideration for acq'n | 5 | 845 | | - | - | 850 |
| Total transactions with owners | 6 | 1,199 | (3) | - | - | 1,202 |
| Balance as at 31 December 2023 | 132 | 14,708 | 8 | 112 | (10,783) | 4,177 |

The accompanying notes on pages 34 to 65 form part of the financial statements.

STATEMENT OF CHANGE OF CASHFLOW
As at 31 December 2023

| GROUP | | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|---|------|---|---|
| | Note | | |
| Cash flows from operating activities | | | |
| Loss before income tax | | (6,635) | (3,257) |
| Adjustments for: | | | |
| Amortisation, depreciation and impairment charges | | 1,864 | 937 |
| Profit on disposal of fixed assets | | - | (3) |
| Gain on settlement of loan notes | | - | (645) |
| Impairment of goodwill | | 1,657 | 569 |
| Finance costs | | 1,254 | 94 |
| Finance income | | (6) | (16) |
| Tax paid | | - | (126) |
| Interest paid | | (956) | (73) |
| Lease interest paid | | (33) | (41) |
| | | (2,855) | (2,561) |
| <i>Changes in working capital:</i> | | | |
| Increase in inventory | | 70 | (637) |
| Decrease / (increase) in trade and other receivables | | 1,190 | (99) |
| (Decrease) / increase in trade and other payables | | 192 | 662 |
| Net cash from operating activities | | (1,403) | (2,635) |
| Cash flows from investing activities | | | |
| Cash acquired on acquisition | | 485 | - |
| Acquisition of subsidiary undertakings | | (7,709) | (100) |
| Purchase of intangible fixed assets | | (201) | - |
| Purchase of tangible fixed assets | | (15) | (366) |
| Interest received | | 1 | 14 |
| Net cash from investing activities | | (7,439) | (452) |
| Cash flows from financing activities | | | |
| Payment of lease liabilities | | (611) | (309) |
| Net proceeds on borrowings | | 7,210 | (237) |
| Amount introduced / (withdrawn) by directors | | 690 | 172 |
| Proceeds from issue of shares | | 352 | 5,073 |
| Net cash from financing activities | | 7,641 | 4,699 |
| (Decrease) / increase in cash and cash equivalents | | (1,201) | 1,612 |
| Cash and cash equivalents at beginning of the year | | 1,506 | (106) |
| Cash and cash equivalents at end of the year | | 305 | 1,506 |

Note the cash and cash equivalents balance includes the bank overdraft of £nil (2022: £276,000)

The accompanying notes on pages 34 to 65 form part of the financial statements.

STATEMENT OF CHANGE OF CASHFLOW
As at 31 December 2023

| COMPANY | Note | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|---|------|---|---|
| Cash flows from operating activities | | | |
| Loss before income tax | | (8,964) | (1,245) |
| Adjustments for: | | | |
| Depreciation and impairment charges | | 6,465 | 4 |
| Impairment of subsidiary investment | | 834 | 305 |
| Gain on settlement of loan notes | | - | (645) |
| Finance costs | | 159 | (29) |
| Finance income | | (1) | (16) |
| Interest paid | | (159) | - |
| | | <u>(1,666)</u> | <u>(1,626)</u> |
| <i>Changes in working capital:</i> | | | |
| Increase in trade and other receivables | | (2,278) | (2,221) |
| (Decrease) / increase in trade and other payables | | 519 | 324 |
| Net cash from operating activities | | <u>(3,425)</u> | <u>(3,523)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | - | (22) |
| Net investment in subsidiaries | | (1,467) | - |
| Purchase of fixed asset investments | | - | (100) |
| Interest received | | - | 16 |
| Net cash from investing activities | | <u>(1,467)</u> | <u>(106)</u> |
| Cash flows from financing activities | | | |
| Amount introduced / (withdrawn) by directors | | 690 | 172 |
| Proceeds from borrowings | | 1,296 | |
| Proceeds from issue of shares | | 1,205 | 5,073 |
| Net cash from financing activities | | <u>3,191</u> | <u>5,245</u> |
| (Decrease) / increase in cash and cash equivalents | | <u>(1,701)</u> | <u>1,616</u> |
| Cash and cash equivalents at beginning of the year | | 1,723 | 107 |
| Cash and cash equivalents at end of the year | | <u><u>22</u></u> | <u><u>1,723</u></u> |

Major non-cash transactions

During the period the following non-cash share issues took place:

| | | |
|------------------|----------------------------|------------|
| 14 December 2022 | Juvela Limited Acquisition | £5,000,000 |
|------------------|----------------------------|------------|

During the prior year the following non-cash share issues took place:

| | | |
|------------------|--|------------|
| 1 November 2021 | Shares issued for consultancy services | £50,000 |
| 17 February 2022 | For trade and asset purchases | £225,000 |
| 11 April 2022 | Market Rocket Ltd Acquisition | £673,000 |
| 13 June 2022 | Convertible loan note settlement | £1,012,000 |

The accompanying notes on pages 34 to 65 form part of the financial statements.

1 GENERAL INFORMATION

S-Ventures PLC is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page. The Company's shares are traded on AQSE (ticker SVEN) and the US OTCQB Venture market.

The principal activities for the group is to invest in and take majority ownership in wellness and consumer brand businesses, to build a portfolio of brands, share resources to accelerate growth and efficiencies and add value by the provision of capital and management expertise.

The consolidated financial information was approved for issue by the Board of Directors on 7 January 2025.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which are carried at fair value or amortised cost as appropriate.

The financial statements are presented in £ unless otherwise stated (rounded to the nearest £'000), which is the Company's functional currency and the Group and Company's presentational currency.

During the period the Group changed its accounting period to 31 December to be co-terminous with that of its largest subsidiary, Juvela Limited. Therefore, the results for the current period are for the 15 months ended 31 December 2023, with the comparatives being for the year ended 30 September 2022.

2.2 New standards, amendments and interpretations

There has been no impact on The Group as a result of adopting any of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing on or after 1 October 2022.

2.3 New standards and interpretations not yet adopted

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases have not yet been adopted by the UK):

| Standard | Impact on initial application | Effective date |
|----------------------|---|-----------------------|
| IFRS S1 | General requirements for disclosure of sustainability-related financial information | 1 January 2024 |
| IFRS S2 | General requirements for disclosure of sustainability-related financial information | 1 January 2024 |
| IFRS 7 (amendments) | Amendments regarding supplier finance arrangements | 1 January 2024 |
| IFRS 16 (amendments) | Measurement of sale and leaseback transactions | 1 January 2024 |
| IAS 1 (amendments) | Presentation of Financial Statements: classification of liabilities | 1 January 2024 |
| IAS 1 (amendments) | Non-Current Liabilities with Covenants | 1 January 2024 |
| IAS 7 (amendments) | Supplier finance arrangements | 1 January 2024 |

The effect of these new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

2.4 Going concern

As disclosed in the Chairman's Statement and CEO's Report, the directors sought to raise funding of £2.5 million in the last quarter of 2023. This was needed to meet the company's obligations to Hero for the final deferred payment for the acquisition of Juvela, to support the central costs of a listed business and, to a lesser extent, to support trading.

With equity markets not offering liquidity or value, a total of £3 million of debt facilities was raised in the following months, including £1million of facilities from a Middle Eastern family office and £2million of facilities from Riverfort Global Opportunities plc ("RGO"). This was alongside the announcement of RGO's potential acquisition of the company's active trading subsidiaries and novation of liabilities.

The directors continue to progress this important potential transaction (the "Transaction") in close collaboration with the Board of RGO. The Transaction that is proposed is intended to raise enough capital to settle all of the parent companies loans, leaving only the subsidiary loan in Juvela and approximately halving the financial debt carried by our group of businesses. The subsidiary loan at Juvela, which was used for its acquisition, has been reduced significantly through operating cashflow and, as at the date of this report, the amount owed to Shawbrook is now approximately £4m.

The directors recognise that additional capital is required to ensure that the company can continue to discharge its liabilities as they fall due and have concluded that the funding requirements represents a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern. However, the directors believe that the transaction outlined above will conclude successfully when these accounts are issued.

Accordingly, the Directors have concluded that it is reasonable to adopt a going concern basis in preparing these financial statements. This is based on a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of signing of these accounts.

2.5 Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. All subsidiaries either have or are in the process of changing their accounting period ends to a reporting date of 31 December.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree identifiable assets and liabilities are initially recognised at their fair values at the acquisition date.

The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

2.6 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets (both tangible and intangible) acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquiree's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In the case of asset acquisition, it is the excess of the sum of the consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with

corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

2.7 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost, including any directly attributable transaction costs, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss. The Group's share of movements in other comprehensive income of the investee are recognised in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2.8 Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Performance obligations and timing of revenue recognition:

Goods

The majority of Group revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually it will have a present right to payment. Consideration is received in accordance with agreed terms of sale.

Determining the contract price:

The Group revenue is derived from:

- a) sale of goods with fixed price lists and therefore the amount of revenue to be earned from each transaction is determined by reference to those fixed prices; or
- b) Individual identifiable contracts, where the price is defined

Allocating amounts to performance obligations:

For most sales, there is a fixed unit price for each product sold. Therefore, there is no judgement involved in allocating the price to each unit ordered.

Services

Revenue is recognised on technical services over time as services are rendered and performance obligations are satisfied

2.9 Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under current liabilities on the Statement of Financial Position.

2.10 Goodwill

Goodwill represents the excess of the cost of a business combination over the Group interest in the fair value of identifiable assets and liabilities acquired. Cost comprises the fair value of assets given, liabilities assumed, and equity instruments issued, plus the amount of any non-controlling in the acquiree. Contingent consideration is included in cost at its acquisition date fair value.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

2.11 Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Identified intangible assets arising on acquisition in business combinations comprise; brand intellectual property and customer relationships.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- | | |
|-------------------------------|----------|
| - Development costs | 10 years |
| - Brand intellectual property | 10 years |
| - Customer relationships | 10 years |
| - Contracts | 10 years |

2.12 Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

- | | |
|------------------------|---------------------------|
| - Lease hold additions | over remaining lease term |
| - Plant and machinery | 25% and 10% on cost |
| - Fixture and fittings | 20% and 15% on cost |
| - Computer equipment | 33% and 25% on cost |

2.13 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash

flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as a separate line item in the statement of comprehensive income.

d) Impairment

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group's most significant clients are public or regulated industry entities which generally have high credit ratings or are of a high credit quality due to the nature of the client.

Expected credit losses are assessed on an individual customer basis, based on the historical payment profiles of the customers, the current and historic relationship with the customer, and the industry in which the customer operates. There have been no impairments of trade receivables in the periods.

2.14 Compound instruments and borrowings

The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual agreement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar debt instruments. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured.

For convertible debt where the parent has the option to convert the loan principal into shares at its discretion, the principal is included within equity. The only element that the company has an obligation to settle in cash is the interest element, which is included in liabilities.

2.15 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.16 Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

2.17 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2.18 Employee benefit costs

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate

2.19 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised and there is reasonable certainty over the timing of the taxable profits. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

2.20 Leases

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In all instances the leases were discounted using the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than £5k) are recognised on a straight-line basis as an expense in profit or loss.

2.21 Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants which are revenue in nature are recognised on a systematic basis within Other operating income in the Statement Profit and Loss and Other Comprehensive income over the period in which the group recognises as expenses the related costs for which the grants are intended to compensate.

2.22 Investments (company accounting policy)

Investments in subsidiaries are measured at cost less impairment. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

2.23 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments and sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements are as follows:

Identified intangible assets

Identified intangible assets arising on acquisition comprise; brand intellectual property, customer relationships and customer contracts.

Their value is estimated based on revenue and EBIT forecasts over 10 years. Judgements are required regarding the discount rate and Weighted Average Cost of Capital (WACC). Rates have been bench marked against similar companies in the industry.

Carrying value of goodwill

Impairment reviews for non-current assets are carried out at each balance sheet date in accordance with IAS 36 Impairment of assets. An annual impairment review is undertaken for Goodwill for each operating subsidiary, which are considered to be a separately identifiable cash generating units. The impairment reviews are sensitive to various assumptions, including the expected sales forecasts, cost assumptions, capital requirements, and discount rate.

Right of use assets

Judgement is required regarding the incremental borrowing rate to apply to leasehold assets to discount the cash flows to present value.

Contingent consideration

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. The determination of fair value is based on key assumptions

including estimation of the level of sales compared to the performance target. Judgement is also applied in relation to the discount rate used for deferred consideration.

Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant of share options and warrants. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield and making assumptions about them. The assumptions used for estimating fair value for share-based payment transactions are disclosed in Note 29.

Impairment of investments and recoverability of loans to subsidiary undertakings

Investments in subsidiary undertakings and the recoverability of receivables from group undertakings. The impairment reviews are sensitive to various assumptions, including the expected sales forecasts, cost assumption and discount rate.

3. SEGMENT REPORTING

For the purpose of IFRS 8, the Chief Operating Decision Maker takes the form of the board of directors. The Directors are of the opinion that the business of the Group focused on four reportable segments as follows:

Included in Administration is the Parent company, which includes activities of raising finance and seeking new investment opportunities, all based in the UK, whilst S-Ventures Acquisitions Limited is a holding company which was incorporated during the period and holds borrowings used to finance the acquisition of Juvela Limited. and also included in Administration.

The other three segments relate to the subsidiary undertakings activities, which include:

- Plant based nutrition (undertaken by Pulsin Limited, Ohso Chocolate Limited * and We Love Purely Limited)
- Bakery (undertaken by Juvela Limited and Lizza GmbH *, subsidiaries acquired in the current period and prior year respectively)
- Technical services (undertaken by Market Rocket Limited, a subsidiary acquired in the prior year)

* entities now regarded as discontinued operations – refer to note 30

The segmental information for the period ended 31 December 2023 is shown as below:

| | Plant Based Nutrition £'000 | Bakery £'000 | Tech. Services £'000 | Admin £'000 | Segment Totals £'000 | Consol. Adj. £'000 | Disc Ops * £'000 | Total £'000 |
|---|--------------------------------------|-----------------|----------------------------|----------------|----------------------------|--------------------------|------------------------|----------------|
| Revenue | 7,968 | 8,722 | 3,739 | 30 | 20,459 | - | 801 | 19,658 |
| Gross profit | 1,492 | 6,205 | 1,575 | 30 | 9,302 | - | (56) | 9,358 |
| EBITDA | (1,789) | 2,529 | 68 | (1,481) | (673) | (2,019) | (2,100) | (592) |
| Operating profit / (loss) after tax | (3,027) | 1,729 | 62 | (3,275) | (4,511) | (2,124) | (2,191) | (4,444) |
| Segment total assets (net of investments in subsidiaries) | 3,757 | 8,767 | 774 | 567 | 13,865 | 5,787 | 60 | 19,592 |
| Segment liabilities | 3,270 | 1,031 | 701 | 10,587 | 15,589 | - | 194 | 15,395 |

* excluding the discontinued operations

The segmental information for the year ended 30 September 2022 is shown as below:

NOTES TO THE FINANCIAL INFORMATION
For the 15 months ended 31 December 2023

| | Plant Based Nutrition £'000 | Bakery £'000 | Tech. Services £'000 | Admin £'000 | Segment Totals £'000 | Consol. Adj. £'000 | Disc Ops * £'000 | Total £'000 |
|---|--------------------------------------|-----------------|----------------------------|----------------|----------------------------|--------------------------|------------------------|----------------|
| Revenue | 7,254 | 104 | 439 | 4 | 7,801 | - | 173 | 7,628 |
| Gross profit | 2,061 | (83) | 414 | 4 | 2,396 | 138 | (54) | 2,588 |
| EBITDA | (1,307) | (184) | 66 | (1,305) | (2,730) | 1,058 | (377) | (1,295) |
| Operating profit / (loss) after tax | (2,106) | (210) | 62 | (1,350) | (3,604) | 148 | (1,074) | (2,382) |
| Segment total assets (net of investments in subsidiaries) | 6,227 | 2,709 | 256 | 2,208 | 11,400 | 4,991 | (181) | 16,391 |
| Segment liabilities | 4,763 | 2,783 | 111 | 1,273 | 8,930 | (2,035) | (2,087) | 6,896 |

4. REVENUE

| | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|-----------------|---|---|
| Sale of product | 19,658 | 7,628 |
| | <u>19,658</u> | <u>7,628</u> |

Within the sales revenue for both the current and previous period, there was one customer that accounted for greater than 10% of total revenue. This ceased to be the case shortly after the balance sheet date.

5. OTHER OPERATING INCOME

| | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|----------------------|---|---|
| Miscellaneous income | 90 | 45 |
| | <u>90</u> | <u>45</u> |

6. EMPLOYEES AND DIRECTORS

Staff costs, including directors' remuneration is set out below:

| | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|-----------------------|---|---|
| Wages and salaries | 3,680 | 2,639 |
| Social security costs | 303 | 234 |
| Other pension costs | 137 | 35 |
| | <u>4,120</u> | <u>2,908</u> |

The average monthly number of employees, including the Directors, during the year was as follows:

| | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|--|---|---|
| Average number of employees | 108 | 76 |
| | | |
| | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
| Directors' remuneration (Please refer to the Remuneration Committee Report for more details) | 389 | 252 |

7. EXCEPTIONAL ITEMS

During the prior period the Company entered into a settlement deed which included a combination of cash and share settlement that was less than the value of the loan convertible notes resulting in a gain on settlement of the convertible loans of £645,000 shown in the consolidated statement of profit and loss statement.

8. NET FINANCE COSTS

| | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|------------------------------------|---|---|
| Finance income: | | |
| Deposit account interest | 6 | 15 |
| Interest on directors loan account | - | 1 |
| | <u>6</u> | <u>16</u> |
| Finance costs: | | |
| Bank loan interest | 808 | 1 |
| Other loan interest | 38 | (20) |
| IFRS 16 lease charges | 153 | 108 |
| Other financing costs | 250 | - |
| | <u>1,249</u> | <u>89</u> |
| Net finance costs | <u>1,243</u> | <u>73</u> |

9. LOSS BEFORE INCOME TAX

The loss before income tax of £4,045,000 (2022: £3,257,000) is stated after charging / (crediting):

| | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|---|---|---|
| Cost of inventories recognised as expense | 10,653 | 5,218 |
| Depreciation of tangible fixed assets | 613 | 320 |
| Depreciation of right of use assets | 293 | 275 |
| Amortisation of intangible assets | 905 | 315 |
| Foreign exchange differences | (1) | 29 |

10. AUDITORS' REMUNERATION

| | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|---|---|---|
| Fees payable to the Group's auditor in relation to the audit of the consolidated financial statements | 45 | 132 |
| Fees payable to the Group's auditors for other advisory services | - | - |
| | 45 | 132 |

11. TAXATION

| | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|------------------------------------|---|---|
| Current year tax credit / (charge) | | |
| Corporation income tax | - | - |
| Deferred tax movement | 399 | 199 |
| | 399 | 199 |

The charge for the year can be reconciled to the profit /(loss) before tax as follows:

| | | |
|---|---------|---------|
| Loss before tax | (4,045) | (3,257) |
| Loss before tax calculated at the UK standard rate of tax of 19% 1 Jan 23 to 31 Mar 23 / 25% 1 Apr 23 – 31 Dec 23 (2022: 19%) | (951) | (619) |
| Tax effects of: | | |
| Expenses not deductible for tax | 37 | 100 |
| Research and development enhanced deductions | 165 | (60) |
| Gain on settlement of convertible loan notes | - | (645) |
| Consolidation adjustments not deductible for tax: | | |

NOTES TO THE FINANCIAL INFORMATION
For the 15 months ended 31 December 2023

| | | |
|--|------------|------------|
| Goodwill impairment | 30 | 569 |
| Amortisation of intangible assets recognised on business combination | 200 | 312 |
| Depreciation of fixed assets revaluation on business combination | - | 74 |
| Revaluation of inventory on business combination | - | (85) |
| Deferred tax asset not provided for | 918 | 353 |
| | - | - |
| Deferred tax assets written back from prior year (note 31) | 399 | 199 |
| Total tax charge / (credit) for the year | 399 | 199 |

The corporation tax rate changed from 19% to 25% from 1 April 2023.

12. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial period was £8,964,000 (2022 – loss of £1,350,000).

13. EARNINGS PER SHARE

Basic Loss Per Share (LPS) is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

The weighted average diluted number of shares is stated below, but the diluted LPS is not included as the loss would make it anti-dilutive.

| 15 mths ended 31 December 2023 | Earnings £'000 | Weighted average number of shares | Per-share amount pence |
|--|---------------------------|--|---------------------------------------|
| Basic earnings per share | | | |
| Loss attributable to ordinary shareholders | (6,597) | 130,936,824 | (5.04) |
| Warrants for shares | | 737,800 | |
| Weighted average diluted number of shares | | 131,674,624 | |
| Year ended 30 September 2022 | Earnings £'000 | Weighted average number of shares | Per-share amount pence |
| Basic earnings per share | | | |
| Loss attributable to ordinary shareholders | (3,456) | 118,179,305 | (2.92) |
| Warrants for shares | | 12,410,271 | |
| Weighted average diluted number of shares | | 130,589,576 | |

14. SUBSIDIARIES

The Company holds shares in the following subsidiaries at the balance sheet date:

| Subsidiary | % Holding 31 Dec 23 | % Holding 30 Sep 22 | Date of acquisition | Nature of business |
|---------------------------------|------------------------|------------------------|---------------------|--|
| We Love Purely Limited * | 85.1% | 85.1% | 22 Jan 2021 | Plantain flavoured crisps |
| Ohso Chocolate Limited * | 100% | 100% | 16 Feb 2021 | Probiotic chocolate |
| Pulsin Limited | 100% | 100% | 23 Jul 2021 | Plant based foods |
| Pulsin BV | 100% | 100% | 23 Jul 2021 | Holding company (holds 100% of Lizza Gmbh) |
| Market Rocket Limited | 100% | 100% | 8 Apr 2022 | Marketing |
| ML Manufacturing Limited | 100% | 100% | 20 Oct 2020 | Manufacturing |
| Lizza Gmbh | 100% | 100% | 29 Aug 2022 | Bakery |
| S-Ventures Acquisitions Limited | 100% | - | 14 Dec 2022 | Bakery |

All subsidiaries are incorporated in England & Wales, except for Pulsin BV (incorporated in The Netherlands) and Lizza Gmbh (incorporated in Germany).

During the current period, the winding up process of Lizza GmbH by the German liquidators continued. However, all Lizza's assets have been fully impaired in these accounts.

Juvela Limited is the wholly-owned subsidiary of S-Ventures Acquisitions Limited

* Step Acquisitions

During the prior period the parent company acquired an additional 24.9% shareholding in Ohso Chocolate Limited and a further 10% in We Love Purely Limited increasing the shareholding to 100% (Ohso) and 85.1% (We Love Purely).

15. PURCHASE PRICE ALLOCATION

Juvela Limited

On 14 December 2022, 100% of the share capital of Juvela Limited (formerly Hero UK Limited) ("Juvela") was acquired for a mixture of cash, shares and deferred consideration.

Juvela is a business manufacturing gluten-free and free-from products from its factory in Pontypool, Wales. They have been manufacturing gluten free food for people diagnosed with coeliac disease for over 25 years and are the leading brand serving the UK coeliac community under the brand name Juvela.

The acquisition was made through a newly formed wholly owned subsidiary - S-Ventures Acquisitions Limited. The consideration of £8.8 million was satisfied as follows:

- cash consideration of £6.4 million, payable on completion. This was funded by loans from Shawbrook Bank of £5.5m and the balance from the parent company's own resources. One loan for

£3.5m is fully amortising over the 4 year term and the second loan of £2m is repayable at the end of the 4 year term. The coupon on these loans is SONIA + 5.95% and 7% respectively.; and

- the issue of 5 million Ordinary Shares, which had a fair value of £0.85 million based on the closing share price on the day prior to completion;
- deferred consideration payable in cash on 1 September 2023 of £1.585 m; and
- stamp duty payables of £0.044 m.

Following on from the acquisition, a purchase price allocation exercise was performed with the allocation of the purchase price of acquisition of the subsidiary undertaking during the period was as follows:

| | Juvela Limited £'000 |
|--|---------------------------------------|
| Total consideration | |
| Cash | 6,367 |
| Shares issued at market value | 850 |
| Deferred consideration – cash (including interest at 8%) | 1,586 |
| Other | 44 |
| Total consideration | 8,847 |
| Recognised amounts of assets and liabilities acquired | |
| Cash and cash equivalents | 485 |
| Trade and other receivables | 1,463 |
| Inventories | 355 |
| Intangible assets recognised on business combination | 5,517 |
| Property, plant and equipment | 858 |
| Investments | 255 |
| Trade and other payables | (886) |
| Borrowings | (343) |
| Total identifiable net assets | 7,704 |
| Minority %age interest | 0% |
| Net assets attributable to parent company | 7,704 |
| Goodwill | 1,143 |
| Total consideration | 8,847 |

During the year a Purchase Price Allocation (PPA) measurement review was undertaken to ascertain the fair value of the consideration and net assets of the subsidiary undertaking acquired.

Juvela Limited

This included determining identifiable net assets not previously recognised. Brand IP of £1,919,000 was calculated based on forecast revenue and estimated royalty rates. Customer relationships of £2,498,000 were valued based on revenue and EBIT forecasts and estimated customer attrition rates. Contract based intangible assets of £1,100,000 were valued using the income approach based on forecast attributable revenue and estimated royalty rates. All were discounted at the weighted average cost of capital.

Deferred cash consideration of £1,500,000 to be settled by 30 September 2023 attracted an interest rate of 8%.

Shares issued in the parent company as part of the consideration are based on the average market value per the AQSE stock exchange on the date of acquisition.

The allocation of the purchase price of the subsidiary undertakings acquired during the prior year was as follows:

| | Market Rocket Limited £'000 | Lizza Gmbh £'000 |
|--|--|-----------------------------|
| Total consideration | | |
| Cash | 100 | - |
| Shares issued at market value | 673 | - |
| Deferred consideration – cash | 350 | - |
| Contingent consideration – shares | 112 | - |
| Total consideration | 1,235 | - |
| Recognised amounts of assets and liabilities acquired | | |
| Cash and cash equivalents | 84 | 7 |
| Trade and other receivables | 46 | 146 |
| Inventories | - | 356 |
| Intangible assets recognised on business combination | 430 | - |
| Property, plant and equipment | 21 | - |
| Tax liabilities /asset | (15) | - |
| Trade and other payables | (72) | (114) |
| Borrowings | - | (650) |
| Total identifiable net assets | 494 | (255) |
| Minority %age interest | 0% | 0% |
| Net assets attributable to parent company | 494 | (255) |
| Goodwill | 741 | 255 |
| Total consideration | 1,235 | - |

During the prior year a Purchase Price Allocation (PPA) measurement review was undertaken to ascertain the fair value of the consideration and net assets of the subsidiary undertakings acquired.

Market Rocket Limited

This included determining identifiable net assets not previously recognised. Brand IP of £23,000 was calculated based on forecast revenue and estimated royalty rates. Customer relationships of £407,000 were valued based on revenue and EBIT forecasts and estimated customer attrition rates. Both were discounted at the weighted average cost of capital.

Deferred and contingent consideration are discounted at the estimated cost of debt of 9.6%. Contingent consideration is based on future performance criteria, which was expected to be met at the date of acquisition.

Shares issued in the parent company as part of the consideration are based on the average market value per the AQSE stock exchange on the date of acquisition.

Lizza Gmbh

As referred to in note 30, Lizza Gmbh has been put into formal German insolvency proceedings in April 2023, which was just 7 months after the date of acquisition. The assets were therefore reviewed for impairment in determining the fair values at acquisition. The fixed assets with a carrying value of £683,000 at acquisition were impaired in full to reflect that they have no value in use due to recurring losses. A review of stock sales after date resulted in a stock impairment of £52,000. The goodwill of £255,000 has been impaired in full.

During the prior year the purchase price allocation measurement review was undertaken for subsidiaries acquired in the previous year. The following purchase price allocation adjustments were made in the prior year as a result of the review:

| | Pulsin Limited £'000 | Ohso Chocolate Limited £'000 | We Love Purely Limited £'000 |
|--|---------------------------------|---|---|
| Revaluation of tangible assets | | | |
| Plant and machinery | 741 | - | - |
| Identifiable intangible assets | | | |
| Brand intellectual property | 247 | 80 | 82 |
| Customer relationships | 2,116 | 105 | 61 |
| <i>Less:</i> | | | |
| Development cost intangibles derecognised | (52) | - | - |
| Inventory | (62) | (23) | - |
| Increase in identifiable net assets | 2,990 | 162 | 143 |
| Minority %age interest | 0 | 24.90 | 24.90 |
| Minority interest in net assets increase | - | (40) | (36) |
| Increase in net assets attributable to parent | 2,990 | 122 | 107 |
| Reduction on deferred purchase consideration | 34 | - | - |
| Reduction in Goodwill | (3,024) | (122) | (107) |

The total reduction in Goodwill as a result of the purchase price allocation adjustments was £3,253,000.

A significant adjustment was the revaluation of Plant and Machinery in Pulsin to fair value, taking into account the estimated market value at the date of acquisition, resulting in an uplift from book value of £741,000.

Identifiable net assets not previously recognised were valued and recognised. This included Brand IP, which was calculated based on forecast revenue and estimated royalty rates. Customer relationships were valued based on revenue and EBIT forecasts and estimated customer attrition rates. Both were discounted at the weighted average cost of capital.

Stock was revalued to take account of selling costs. As the stock has been sold in the prior year, the reduction in stock value was credited to the profit and loss account.

16. GOODWILL

| Group | £'000 |
|--|--------------|
| COST OR VALUATION | |
| At 1 October 2021 | 6,658 |
| Additions | 1,062 |
| Purchase price allocation adjustment (note 15) | (3,253) |
| Impairments | (569) |
| At 30 September 2022 | 3,898 |
| Additions | - |
| Purchase price allocation (note 15) | 1,143 |
| Impairments | (1,578) |
| At 31 December 2023 | 3,463 |
| NET BOOK VALUE | |
| At 30 September 2022 | 3,898 |
| At 31 December 2023 | 3,463 |

See note 15 in respect of the reduction in goodwill following the purchase price allocation (PPA) review in the prior year. An impairment review was undertaken in the current year, resulting in the write off of goodwill in full for Lizza Gmbh and Ohso Chocolate Limited.

17. INTANGIBLE ASSETS

| Group | Brand intellectual property £'000 | Development costs £'000 | Customer Relationships £'000 | Contracts £'000 | Total £'000 |
|--|--|--|---|----------------------------|------------------------|
| Cost | | | | | |
| At 1 October 2021 | 5 | 53 | - | - | 58 |
| Additions | 180 | - | - | - | 180 |
| Disposals | - | (53) | - | - | (53) |
| Recognition on subsidiary acquisitions (Purchase price allocation - note 15) | 434 | - | 2,685 | - | 3,119 |
| At 30 September 2022 | 619 | - | 2,685 | - | 3,304 |
| Additions | 201 | - | - | - | 201 |
| Disposals | - | - | - | - | - |
| Recognition on subsidiary acquisitions (Purchase price allocation - note 15) | 2,980 | - | 3,879 | 1,708 | 8,567 |
| At 31 December 2023 | 3,800 | - | 6,564 | 1,708 | 12,072 |
| Amortisation | | | | | |
| At 1 October 2021 | - | 3 | - | - | 3 |
| Amortisation for period | 45 | - | 270 | - | 315 |
| Eliminated on disposal | - | (3) | - | - | (3) |

NOTES TO THE FINANCIAL INFORMATION
For the 15 months ended 31 December 2023

| | | | | | |
|--|-------|---|-------|-----|-------|
| At 30 September 2022 | 45 | - | 270 | - | 315 |
| Amortisation | 511 | - | 401 | 176 | 1,088 |
| Disposals | - | - | - | - | - |
| Recognition on subsidiary acquisitions (Purchase price allocation - note 15) | 1,061 | - | 1,381 | 608 | 3,050 |
| At 31 December 2023 | 1,617 | - | 2,052 | 784 | 4,453 |
| Net book value | | | | | |
| At 30 September 2022 | 394 | - | 2,415 | - | 2,989 |
| At 31 December 2023 | 2,183 | - | 4,512 | 924 | 7,619 |

18. PROPERTY, PLANT AND EQUIPMENT

| Group | Leasehold improve- ments £'000 | Plant & machinery £'000 | Fixture and fittings £'000 | Computer equipment £'000 | Total £'000 |
|--|---|-------------------------------|-------------------------------------|--------------------------------|----------------|
| Cost | | | | | |
| At 1 October 2021 | 76 | 1,025 | 18 | 166 | 1,285 |
| Additions | 28 | 255 | 10 | 76 | 369 |
| Additions on acquisition of subsidiary undertaking | - | - | 20 | - | 20 |
| Disposals | - | (2) | (4) | - | (6) |
| Acquisition revaluation to fair value (note 15) | - | 741 | - | - | 741 |
| At 30 September 2022 | 104 | 2,019 | 44 | 242 | 2,409 |
| Additions | 7 | 181 | 7 | 51 | 246 |
| Disposals | - | (302) | (9) | (23) | (334) |
| Transferred to discontinued operations | - | (61) | (4) | (9) | (74) |
| Additions on acquisition of subsidiary undertaking (note 15) | - | 1,483 | - | 285 | 1,768 |
| At 31 December 2023 | 111 | 3,320 | 38 | 546 | 4,015 |
| Depreciation | | | | | |
| At 1 October 2021 | 7 | 52 | 1 | 6 | 66 |
| Charge for the year | 33 | 202 | 8 | 77 | 320 |
| Elimination on disposal | - | (2) | (1) | - | (3) |
| At 30 September 2022 | 40 | 252 | 8 | 83 | 383 |
| Charge for the period | 46 | 567 | 17 | 103 | 733 |
| Elimination on disposal | - | (157) | (8) | (13) | (178) |
| Transferred to discontinued operations | - | (24) | (4) | (9) | (37) |
| Additions on acquisition of subsidiary undertaking (note 15) | - | 641 | - | 269 | 910 |
| At 31 December 2023 | 86 | 1,279 | 13 | 433 | 1,811 |

NOTES TO THE FINANCIAL INFORMATION
For the 15 months ended 31 December 2023

Net book value

| | | | | | |
|----------------------|----|-------|----|-----|-------|
| At 30 September 2022 | 64 | 1,767 | 36 | 159 | 2,026 |
| At 31 December 2023 | 25 | 2,041 | 25 | 113 | 2,204 |

| Company | Computer equipment £'000 | Total £'000 |
|-----------------------|--------------------------------|----------------|
| Cost | | |
| At 1 October 2021 | 5 | 5 |
| Additions | 22 | 22 |
| At 30 September 2022 | 27 | 27 |
| Additions | - | - |
| At 31 December 2023 | 27 | 27 |
| Depreciation | | |
| At 1 October 2021 | 1 | 1 |
| Charge for the year | 4 | 4 |
| At 30 September 2022 | 5 | 5 |
| Charge for the period | 5 | 5 |
| At 31 December 2023 | 10 | 10 |
| Net book value | | |
| At 30 September 2022 | 22 | 22 |
| At 31 December 2023 | 17 | 17 |

19. INVESTMENTS

| Group | Associate £'000 | Unlisted Investments £'000 | Total £'000 |
|-----------------------|--------------------|----------------------------------|----------------|
| Cost | | | |
| At 1 October 2021 | - | 30 | 30 |
| Additions | - | - | - |
| At 30 September 2022 | - | 30 | 30 |
| Additions | - | - | - |
| At 31 December 2023 | - | 30 | 30 |
| Net book value | | | |
| At 30 September 2022 | - | 30 | 30 |
| At 31 December 2023 | - | 30 | 30 |

| Company | Shares in group undertakings £'000 | Unlisted Investments £'000 | Total £'000 |
|-----------------------|---|---|------------------------|
| Cost | | | |
| At 1 October 2021 | 7,394 | 30 | 7,424 |
| Additions | 1,284 | - | 1,284 |
| Impairments | (305) | - | (305) |
| At 30 September 2022 | 8,373 | 30 | 8,403 |
| Additions | 1,500 | - | 1,500 |
| Impairments | (6,447) | - | (6,417) |
| At 31 December 2023 | 3,426 | 30 | 3,456 |
| Net book value | | | |
| At 30 September 2022 | 8,373 | 30 | 8,403 |
| At 31 December 2023 | 3,426 | 30 | 3,456 |

During the current year the Company incorporated S-Ventures Acquisitions Limited for the purpose of acquiring 100% of the following subsidiary undertaking:

| Subsidiary | Cost £'000 | Acquisition date | Principal activity | Country of incorporation |
|--|-----------------------|-------------------------|---------------------------|-------------------------------------|
| Juvela Limited (formerly Hero UK Limited) | 8,847 | 14 December 2022 | Bakery | England |

Additionally the Company invested a further £1,500,000 into Pulsin Limited during the current year.

During the prior year the company acquired 100% of the following subsidiary undertakings:

| Subsidiary | Cost £'000 | Acquisition date | Principal activity | Country of incorporation |
|-----------------------|-----------------------|-------------------------|---------------------------|-------------------------------------|
| Market Rocket Limited | 1,283 | 8 April 2022 | Marketing | England |
| Lizza GMBH | - | 29 August 2022 | Bakery | Germany |

An impairment review was undertaken during the prior year and the investment cost of £305,000 in Ohso Chocolate Limited has been impaired to £nil.

20. INVENTORY

| | 31 Dec 2023 £'000 | 30 Sep 2022 £'000 |
|---------------|------------------------------|------------------------------|
| Raw materials | 680 | 471 |
| Stocks | 978 | 844 |
| Packaging | 198 | 332 |
| | <u>1,856</u> | <u>1,647</u> |

21. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31 Dec 2023 | 30 Sep 2022 | 31 Dec 2023 | 30 Sep 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade receivables | 2,445 | 1,589 | 53 | 61 |
| Amounts owed by group undertakings | - | - | 5,621 | 2,632 |
| Amounts owed by associates | - | 178 | - | 178 |
| Other receivables | 11 | 77 | - | 14 |
| Directors' current accounts | 98 | - | - | - |
| VAT | 33 | 62 | - | 17 |
| Prepayments and accrued income | 295 | 693 | 9 | 162 |
| | 2,882 | 2,599 | 5,683 | 3,064 |

Amounts owed to group undertakings are net of expected credit losses of £541,000 (2022: £680,000). Other receivables are net of expected credit losses of £20,000, (2022: £20,000). Trade receivables do not include any material past due debts and based on historic recoverability no impairment is required in respect of expected credit losses.

22. CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---------------|--------------------|--------------------|--------------------|--------------------|
| | 31 Dec 2023 | 30 Sep 2022 | 31 Dec 2023 | 30 Sep 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank accounts | 305 | 1,782 | 22 | 1,723 |
| | 305 | 1,782 | 22 | 1,723 |

23. CALLED UP SHARE CAPITAL

| | 31 Dec 2023 | 30 Sep 2022 | |
|--|-------------|------------------------|------------------------|
| Ordinary Shares | | | |
| Issued and fully allotted with a nominal value of 0.01p (2022: 0.01p) | | | |
| Number of shares | 132,215,587 | 125,571,687 | |
| Nominal value (£'000) | 132 | 126 | |
| Share premium (£'000) | 14,708 | 13,509 | |
| | | | |
| | No. | Nominal Value £'000 | Share Premium £'000 |
| Balance at 1 October 2021 | 111,377,947 | 111 | 6,490 |
| Shares issued for cash | 7,142,856 | 7 | 4,993 |
| Shares issued in connection of acquisitions | 5,107,142 | 5 | 1,905 |
| Shares issued on the exercise of warrants | 1,250,000 | 1 | 24 |
| Shares issued for services | 156,250 | 1 | 50 |
| Shares issued on the exercise of options | 537,492 | 1 | 47 |
| Total issued during the year | 14,193,740 | 15 | 7,019 |
| Balance at 30 September 2022 | 125,571,687 | 126 | 13,509 |
| Shares issued in connection of acquisitions | 5,000,000 | 5 | 845 |
| Shares issued on the exercise of warrants | 1,643,900 | 1 | 354 |
| Total issued during the year | 6,643,900 | 6 | 1,199 |
| Balance at 31 December 2023 | 132,215,587 | 132 | 14,708 |

| Issue Date | | Price per share £ | Number | Consider- ation £'000 | Nominal Value £'000 | Share Premium £'000 |
|---|-------------------------------|-------------------------|-----------|-----------------------------|---------------------------|---------------------------|
| 14 Dec 22 | Juvela Limited acquisition | 0.170 | 5,000,000 | 850 | 5 | 845 |
| 30 Jan 23 | Warrants exercised | 0.250 | 1,400,000 | 350 | 1 | 349 |
| 9 Feb 23 | Warrants exercised | 0.020 | 237,800 | 4 | - | 4 |
| 9 Feb 23 | Warrants exercised | 0.040 | 6,100 | 1 | - | 1 |
| Issued in period ended 31 Dec 2023 | | | 6,643,900 | 1,205 | 6 | 1,199 |

NOTES TO THE FINANCIAL INFORMATION
For the 15 months ended 31 December 2023

| Issue Date | | Price per share £ | Number | Consideration £'000 | Nominal Value £'000 | Share Premium £'000 |
|---|----------------------------------|------------------------------|-------------------|--------------------------------|--------------------------------|--------------------------------|
| Oct-Dec 21 | Warrants exercised | 0.020 | 1,000,000 | 20 | 1 | 19 |
| 1 Nov 21 | Consultancy services | 0.320 | 156,250 | 50 | - | 50 |
| 1 Dec 21 | Cash share issue | 0.700 | 4,285,714 | 3,000 | 4 | 2,996 |
| 11 Feb 22 | Warrants exercised | 0.020 | 250,000 | 5 | - | 5 |
| 17 Feb 22 | For trade and asset purchase | 0.700 | 321,429 | 225 | 1 | 224 |
| 1 Mar 22 | Share options exercised | 0.090 | 268,746 | 24 | - | 24 |
| 11 Apr 22 | Market Rocket Ltd acquisition | 0.314 | 2,142,857 | 673 | 2 | 671 |
| 13 Jun 22 | Convertible loan note settlement | 0.383 | 2,642,856 | 1,012 | 3 | 1,009 |
| 13 Aug 22 | Cash share issue | 0.700 | 2,857,142 | 2,000 | 3 | 1,997 |
| 30 Sep 22 | Share options exercised | 0.090 | 268,746 | 24 | - | 24 |
| Issued in year ended 30 Sep 2022 | | | 14,193,740 | 7,033 | 14 | 7,019 |

Warrants

The warrants in existence for the issue of new Ordinary Shares of £0.001 each can be summarised as:

| | Issued for investment services Exercise Price £0.02 each | Issued for investment services Exercise Price £0.04 each | Issued with shares as part of fund raise | Latest date for exercise | Exercise price |
|----------------------------|---|---|---|---------------------------------|-----------------------|
| | Number | Number | Number | | £ |
| B/f as at 1 Oct 2021 | 1,487,800 | 743,900 | - | 1 Sep 2025 | |
| B/f as at 1 Oct 2022 | - | - | 10,000,000 | 30 Apr 2023 | 0.25 |
| Allotted in Dec 2021 raise | | | 1,428,571 | 20 Dec 2023 | 2.00 |
| Exercised in the period | (1,250,000) | - | - | | |
| Balance at 30 Sept 2022 | 237,800 | 743,900 | 11,428,571 | | |
| Exercised in the period | (237,800) | (6,100) | | | |
| Exercised in the period | - | - | (1,400,000) | | 0.25 |
| Lapsed during the period | - | - | (8,600,000) | | 0.25 |
| Lapsed during the period | - | - | (1,428,571) | | 2.00 |
| Balance at 31 Dec 2023 | - | 737,800 | - | | |

The warrants exercised during the period realised a total of £355,000 (2022: £25,000) cash to the Company.

24. RESERVES

The movement in reserves is set out in the Statement of changes in equity. The group has the following reserves in addition to the retained deficit reserve:

Share based payment reserve

The share-based payment reserve arose from the share-based payment charge for share options issued to group employees. The shares over which the options were issued are that of the parent company. It also includes share warrants issued to a supplier of the parent for services provided. Details of share-based transactions are included in note 32.

Contingent equity settled consideration reserve

The contingent consideration reserve is the estimated fair value of the consideration payable to a subsidiary, subject to performance targets, to be settled by the issue of shares in the parent company. During the year two subsidiaries were acquired with contingent equity settled consideration totalling £112,131. The contingent equity settled consideration recognised in the prior year of £34,484 was not payable as part of a settlement deed with the sellers.

Equity component of convertible debt reserve

This represents the equity component of convertible loans. The parent had the option to convert the loan principal into shares at its discretion. Originally the loan notes were negotiated without a conversion option at the same coupon rates, so the interest rates would be the same without the conversion option. Therefore, no discounting was required and the full principal has been classified as equity. The loan note interest was included in accruals. During the year the company agreed a settlement deed for the company's loans, which involved settlement by shares and cash as set out in the statement of changes in equity. There was a gain in settlement of £645,064.

25. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 31 Dec 2023 | 30 Sep 2022 | 31 Dec 2023 | 30 Sep 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Deferred consideration for acquisition | 1,091 | 366 | 1,091 | 366 |
| Trade payables | 2,240 | 1,913 | 680 | 437 |
| Amounts owing to group undertakings | - | - | 387 | - |
| Social security and other taxes | 853 | 233 | 1 | 48 |
| Other payables | 325 | 61 | 99 | 26 |
| Accruals and deferred income | 756 | 517 | 265 | 224 |
| Directors' loan | 63 | 172 | 13 | 172 |
| | <u>5,328</u> | <u>3,262</u> | <u>2,536</u> | <u>1,273</u> |

26. BORROWINGS

| | Group | |
|-----------------|--------------------|--------------------|
| | 31 Dec 2023 | 30 Sep 2022 |
| | £'000 | £'000 |
| Current: | | |
| Bank overdrafts | - | 276 |
| Bank loans | 1,180 | 277 |
| Other loans | 402 | 445 |
| | <u>1,582</u> | <u>998</u> |
| Non-current: | | |
| Bank loans | 5,910 | 192 |
| Other loans | 459 | - |
| | <u>6,369</u> | <u>192</u> |
| | <u>7,951</u> | <u>1,190</u> |

Debt repayment schedule

| Issue Date | 1 year or less £'000 | 1-2 years £'000 | 2-5 years £'000 | More than 5 years £'000 | Total £'000 |
|-------------------|---------------------------------|----------------------------|----------------------------|--|------------------------|
| Bank overdrafts | - | - | - | - | - |
| Bank loans | 1,180 | 1,314 | 4,596 | - | 7,090 |
| Other loans | 402 | 459 | - | - | 861 |
| | <u>1,582</u> | <u>1,773</u> | <u>4,596</u> | | <u>7,951</u> |

| Issue Date | Carrying value at 31 Dec 23 £'000 | Maturity dates | Interest rates |
|-------------------------------------|--|-----------------------|-----------------------|
| Government backed bounce back loans | 8 | Aug 2026 to Apr 2027 | 2.5% |
| Shawbrook bank loans | 5,500 | Dec 2026 | 5.95-7.0% |
| Other bank loans | 1,582 | Dec 24-29 | varying |
| | <u>7,090</u> | | |

All loans are repayable by instalments over the loan term.

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital Risk Management

The Company manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Company and the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, foreign exchange reserves and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange, and liquidity risks. The management of these risks is vested to the Board of Directors.

Credit Risk

Credit risk arises on financial instruments such as trade receivables, short-term bank deposits.

Policies and procedures exist to ensure that customers have an appropriate credit history.

Counterparty exposure positions are monitored regularly so that credit exposures to any one counterparty are within acceptable limits.

At the balance sheet date there were no significant concentrations of credit risk.

Trade and other receivables and contract assets included in the balance sheet are stated net of expected credit loss (ECL) provisions which have been estimated on a customer-by-customer basis, based on the relationship with the customer and its historical payment profile. There are no provisions held against trade receivables at the balance sheet date.

The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

| | 2023 | 2023 | 2022 | 2023 |
|---------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | Carrying Value | Maximum Exposure | Carrying Value | Maximum Exposure |
| | £'000 | £'000 | £'000 | £'000 |
| Cash and cash equivalents | 305 | 305 | 1,782 | 1,782 |
| Trade receivables | 2,716 | 2,716 | 1,589 | 1,589 |
| | 3,021 | 3,021 | 3,371 | 3,371 |

Interest rate risk

Loans are at a fixed rate of interest so the company is not exposed to an increase in interest rates.

Currency risk

A subsidiary has costs arising in US dollars. The group does not hedge its foreign exposure currently but this kept under review and as the sales of the subsidiary grow it will look into locking exchange rates. At 31 December 2023 and 30 September 2022 the Group did not have a material foreign currency exposure.

Liquidity risk

Working capital is carefully managed to minimise liquidity risk. Management continually monitor the Group's actual and forecast cash flows and cash positions. Where issues arise, we work with the Supplier to ensure continued supply in some cases rescheduling the payment terms. The CEO has provided a line of credit of £0.5m to support the business as required at an interest rate of 15% with no fixed repayment term.

28. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

| Group 2023 | Financial assets at amortised cost | Financial liabilities at amortised cost | Total |
|---|--|---|---------|
| Financial assets / liabilities | £'000 | £'000 | £'000 |
| Trade and other receivables ¹ | 2,858 | - | 2,858 |
| Cash and cash equivalents | 305 | - | 305 |
| Trade and other payables ² | - | (4,572) | (4,572) |
| Lease liabilities (current and non-current) | - | (1,676) | (1,676) |
| | 3,163 | (6,248) | (3,085) |

¹ Trade and other receivables excludes prepayments.

² Trade and other payables excludes accruals.

| Group 2022 | Financial assets at amortised cost | Financial liabilities at amortised cost | Total |
|---|--|---|---------|
| Financial assets / liabilities | £'000 | £'000 | £'000 |
| Trade and other receivables ¹ | 1,906 | - | 1,906 |
| Cash and cash equivalents | 1,782 | - | 1,782 |
| Trade and other payables ² | - | (2,745) | (2,745) |
| Lease liabilities (current and non-current) | - | (2,121) | (2,121) |
| | 3,688 | (4,866) | (1,178) |

¹ Trade and other receivables excludes prepayments.

² Trade and other payables excludes accruals.

| Company 2023 | Financial assets at amortised cost | Financial liabilities at amortised cost | Total |
|--|--|---|---------|
| Financial assets / liabilities | £'000 | £'000 | £'000 |
| Trade and other receivables ¹ | 5,720 | - | 5,720 |
| Cash and cash equivalents | 22 | - | 22 |
| Trade and other payables ² | - | (2,271) | (2,271) |
| | 5,742 | (2,271) | 3,471 |

¹ Trade and other receivables excludes prepayments.

² Trade and other payables excludes accruals.

NOTES TO THE FINANCIAL INFORMATION
For the 15 months ended 31 December 2023

| Company 2022 | Financial assets at amortised cost | Financial liabilities at amortised cost | Total |
|--|--|---|---------|
| Financial assets / liabilities | £'000 | £'000 | £'000 |
| Trade and other receivables ¹ | 2,902 | - | 2,902 |
| Cash and cash equivalents | 1,723 | - | 1,723 |
| Trade and other payables ² | - | (1,049) | (1,049) |
| | 4,625 | (1,049) | 3,576 |

¹ Trade and other receivables excludes prepayments.

² Trade and other payables excludes accruals.

29. LEASES

The Group had the following lease assets and liabilities:

| | 31 Dec 2023 £'000 | 30 Sep 2022 £'000 |
|--|----------------------|----------------------|
| <i>Right-of-use assets</i> | | |
| Property plant and equipment | 1,233 | 1,419 |
| | 1,233 | 1,419 |
| <i>Lease liabilities</i> | | |
| Current | 1,340 | 434 |
| Non-current | 336 | 1,686 |
| | 1,676 | 2,120 |
| | 31 Dec 2023 £'000 | 30 Sep 2022 £'000 |
| <i>Maturity on the lease liabilities are as follows:</i> | | |
| Current | 1,340 | 434 |
| Due between 1-5 years | 336 | 1,122 |
| Due beyond 5 years | - | 564 |
| | 1,676 | 2,120 |

Right of use assets

A reconciliation of the carrying amount of the right-of-use asset is as follows:

| | 31 Dec 2023 £'000 | 30 Sep 2022 £'000 |
|-----------------|----------------------|----------------------|
| Opening balance | 1,419 | 1,694 |
| Additions | 255 | - |
| Depreciation | (441) | (275) |
| | 1,233 | 1,419 |

Lease liabilities

A reconciliation of the carrying amount of the lease liabilities is as follows:

| | 31 Dec 2023 £'000 | 30 Sep 2022 £'000 |
|-----------------|----------------------|----------------------|
| Opening balance | 2,121 | 2,430 |
| Additions | 255 | - |
| Payment made | (853) | (417) |
| Finance charge | 153 | 108 |
| | <u>1,676</u> | <u>2,121</u> |

30. DISCONTINUED OPERATIONS

During the year, the Board reviewed the commercial viability of a number of the Group's operating subsidiaries and determined that a number of its subsidiary operations forecast negative cashflows as a result of falling sales and rising costs. As a result, the following subsidiaries have been classified as discontinued operations:

- Lizza GmBH;
- Osho Chocolates Limited; and
- ML Manufacturing Limited.

In accordance with IFRS 5, the results of these discontinued operations are presented as follows:

| | 15 mths ended 31 December 2023 £'000 | Year ended 30 September 2022 £'000 |
|--|---|---|
| Continuing operations | | |
| Revenue | 801 | 315 |
| Cost of sales | (857) | (364) |
| Gross profit / (loss) | <u>(56)</u> | <u>(49)</u> |
| Gain / (loss) on disposal / administration | (942) | - |
| Operating expenses | <u>(1,102)</u> | <u>(327)</u> |
| Earnings before interest, taxation, depreciation and amortisation | <u>(2,100)</u> | <u>(376)</u> |
| Depreciation, amortisation and impairment | (86) | (645) |
| Finance costs - net | (5) | (6) |
| Loss before taxation | <u>(2,191)</u> | <u>(1,027)</u> |
| Income tax | - | (47) |
| Loss for the period | <u>(2,191)</u> | <u>(1,074)</u> |

| Assets and Liabilities of Discontinued Operations | As at 31 December 2023 £ | As at 30 September 2022 £ |
|--|---|--|
| NON-CURRENT ASSETS | | |
| Intangible assets | - | 144 |
| Property, plant and equipment | - | 37 |
| | <u>-</u> | <u>181</u> |
| CURRENT ASSETS | | |
| Trade and other receivables | 53 | 229 |
| Inventory | 3 | 395 |
| Cash and cash equivalents | 4 | 17 |
| | <u>60</u> | <u>641</u> |
| TOTAL ASSETS | <u>60</u> | <u>822</u> |
| NON-CURRENT LIABILITIES | | |
| Borrowings | - | 33 |
| | <u>-</u> | <u>33</u> |
| CURRENT LIABILITIES | | |
| Borrowings | 77 | 712 |
| Trade and other payables | 117 | 2,164 |
| | <u>194</u> | <u>2,876</u> |
| TOTAL LIABILITIES | <u>194</u> | <u>2,909</u> |
| NET ASSETS OF DISCONTINUED OPERATIONS | <u>(134)</u> | <u>(2,087)</u> |

31. DEFERRED TAX

Due to uncertainty regarding the timing of future taxable profits to utilise the losses carried forward, the deferred tax assets recognised in the prior year, comprised of losses carried forward less accelerated capital allowances, have been written off to the profit and loss account in the current year.

The total group deferred tax asset written off is £399,000 (2022: £199,000).

The total parent company deferred tax asset written off is £nil (2022: £56,000).

32. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the period ended 31 December 2023 and the year ended 30 September 2022:

| | 31 Dec 2023 £'000 | 30 Sep 2022 £'000 |
|---|------------------------------|------------------------------|
| S P Livingston: | | |
| Balance owed (from) / to the company at the start of the period | (171) | 45 |
| Amounts advanced | 502 | 4 |
| Amounts repaid | (733) | (49) |
| Loans from the director to the company | (459) | (171) |
| Balance owed (from) / to the company at the end of the period | <u>(861)</u> | <u>(171)</u> |

Loans to directors are subject to Interest at the HMRC beneficial loan rate of 2.25% and are repayable on demand. During the prior year, the director repaid the previous year balance owed to the company in full and provided loans totalling £171,000 to the company. At the balance sheet date, the company owed the director £861,000. Loans from the director to the company are interest free and repayable on demand.

33. RELATED PARTY DISCLOSURES

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Loans from the directors during the period are disclosed within the Advances, credits and guarantee note 32.

34. SHARE BASED PAYMENT TRANSACTIONS

Movements in the number of share based payment options and warrants and their weighted average exercise prices are as follows:

| | Number of share based payment options | Weighted average exercise price of options | Number of share based payment warrants * | Weighted average exercise price of warrants |
|-----------------------------|--|---|---|--|
| Balance bought forward | 2,407,928 | | 2,231,700 | |
| Lapsed during the period | (1,870,436) | | - | |
| Exercised during the period | (537,492) | | (1,250,000) | £0.02 |
| Balance at 30 Sep 2022 | - | - | 981,700 | £0.04 |
| Exercised during the period | | | (237,800) | £0.02 |
| Exercised during the period | | | (6,100) | £0.04 |
| Balance at 31 Dec 2023 | | | 737,800 | £0.0205 |

* The number of warrants relates to warrants issued as part of share based payments. Warrants were also issued as part of a share fund raise. See note 22 for the total number of warrants in issue.

The weighted average remaining contractual life of the options is 10 years.

On 16 June 2021, the Company granted 2,407,928 share options to employees with an exercise price of 9 pence each under an Enterprise Management Incentive Scheme the Options were exercisable subject to certain performance conditions being met.

The performance conditions are based on achievement of sales targets in specific subsidiary undertakings.

Of the share options issued only 1,628,386 are expected to vest based on performance conditions. At the date of grant, these options were valued using the Black-Scholes option pricing model. The fair value per options granted and the assumptions used in the calculations were as follows:

| | |
|----------------------------|----------|
| Expected annual volatility | 10% |
| Time to maturity (years) | 10 years |
| Risk free interest rate | 1% |
| Fair value per option | £0.016 |

During the prior year 537,492 options were exercised and the remaining options have lapsed due to employees performance conditions not being met during the current year.

On 1 September 2020 1,487,800 warrants with an exercise price of 2 pence each and 743,900 with an exercise price of 4 pence each were issued in lieu of professional fees. The professional fees have been

estimated at £25,000, resulting in a fair value per warrant of £0.011. During the prior year 1,250,000 of shares were exercised at a price of 2 pence per share, leaving 237,800 to exercise at 2 pence per share and 743,900 at 4 pence per share.

During the current period 237,800 2 pence warrants and 6,100 4 pence warrants were exercised, leaving 737,800 to exercise at 4 pence per share.

During the prior year the company entered into a contract with the sister of the director S Livingston, to provide consultancy fees of £50,000 (to be settled by the issue of shares on commencement).

35. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2023 and 30 September 2022.

36. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2023 and 30 September 2022.

37. EVENTS SUBSEQUENT TO PERIOD END

Proposed Transaction with Riverfort Global Opportunities plc ("RGO")

In addition to the £1 million of facilities raised from a Middle Eastern family office in November 2023, on 28 March 2024, the company raised a further £2 million of debt facilities from RGO to bridge the potential purchase of assets and novation of liabilities by RGO announced to the market on 22 March 2024. The company continues to progress this important potential transaction with the final phase of preparation now underway with the issuance of these audited accounts. The transaction that is proposed is intended to raise enough capital to settle all of the parent company's loans, leaving only the subsidiary loan at Juvela in place and approximately halving the financial debt carried by the group. RGO have undertaken significant due diligence and the company anticipates being able to make a further statement shortly after the publication of these accounts.

Suspension of Shares

On 1 July 2024, the AQSE share quote was suspended pending submission of these audited accounts, the preparation of which had been delayed. The quote will be restored once the accounts are filed.

38. ULTIMATE CONTROLLING PARTY

In the opinion of the directors there is no ultimate controlling party.