

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 30 June 2023  
for  
Eurovestech Plc

Contents of the Financial Statements  
for the Year Ended 30 June 2023

|                                    | Page |
|------------------------------------|------|
| Company Information                | 1    |
| Chairman's Report                  | 2    |
| Strategic Report                   | 5    |
| Report of the Directors            | 7    |
| Report of the Independent Auditors | 12   |
| Statement of Comprehensive Income  | 16   |
| Balance Sheet                      | 17   |
| Statement of Changes in Equity     | 18   |
| Cash Flow Statement                | 19   |
| Notes to the Cash Flow Statement   | 20   |
| Notes to the Financial Statements  | 22   |

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

Chairman's Report  
for the Year Ended 30 June 2023

I am writing to provide an update on the year ending June 2023 and recent developments. Given the maturity of our remaining portfolio, we intend to endeavour to realise these investments within the next 18 months and return the proceeds to our shareholders.

Last year, I mentioned increasing geopolitical uncertainties. These have unfortunately intensified, to some extent adversely affecting our portfolio.

**Toluna Holdings Limited**

Our biggest challenge this year has been Toluna Holdings Limited ("Toluna"). From our initial investment in 2000 to its privatisation in 2011, we turned £2 million into £40 million. Additionally, we retained a minority stake in the company. Verlinvest, a Belgium-based family office, then took control. Currently, Verlinvest has assets under management of €2 billion. In 2011, the Toluna business was generating free cash flow of £12 million a year. In hindsight, ceding control of Toluna has proven costly. Since Verlinvest took over, Toluna's financial performance has been unacceptable. The most recent audited accounts for the year ending December 2022 show a loss of over £25 million.

For years, Eurovestech has sought private engagement with Verlinvest. However, Verlinvest has failed to listen to any of Eurovestech's assessments or recommendations. Toluna has failed to report a profit since 2012. Between 2013 and 2021, the range of losses before tax was £1.6 million to £7.7 million. The total losses before tax were £45.4 million. In 2022 alone, Toluna's loss before tax was £25.7 million. In 2012, prior to the £29.5 million loan from Verlinvest used to part finance its takeover, Toluna had net cash of £6 million. By 2020, net debt was £33.8 million.

When Toluna was listed on the London Stock Exchange, it was more profitable and highly valued than its competitor, YouGov. However, YouGov has consistently grown its profits. By July 2023, YouGov's profit before tax was £44.7 million, with a market value exceeding £1 billion. Since 2012, YouGov's share price has increased 20-fold.

Between 2012 and 2015, Toluna's CEO, Frederic-Charles Petit, was paid an annual remuneration ranging from £252,000 to £298,000. This increased to £594,000 in 2016, £887,000 in 2017, £1,199,000 in 2018, £882,000 in 2019, and £734,000 in 2020. We regard this as nothing other than a reward for failure. His package might be appropriate for a CEO delivering £25 million a year of profits. We remain baffled as to why Verlinvest has kept him in situ for all these years.

In June 2011, Toluna agreed to pay Verlinvest an annual interest rate of 6.7 per cent on a loan of £29.5 million. At the time of taking out the loan, general interest rates were close to zero. Since the loan was taken out, Verlinvest has earned interest of £39 million on this loan. In December 2017, Toluna agreed to pay Verlinvest an annual interest rate of 15 per cent per annum on a new loan of £11.1 million. At the time of taking out the loan, general interest rates were close to zero. In the five years to December 2022, Verlinvest earned interest of £8.3 million on this loan.

In the thirteen years since Verlinvest took control, shareholders excluding Verlinvest and Frederic-Charles Petit, have earned zero return. An investment of \$100 in the S&P 500 Index from the beginning of 2012 until the end of 2023, would be worth \$450. It seems beyond comprehension that an online business with revenues of over £200 million and with 2,500 employees, has for more than a decade failed to generate any free cash flow or return on capital. That is why, earlier in the year, we wrote to Toluna to request that forensic accountants be appointed to investigate why, year after year, this remains the case. Toluna has refused this request.

Last summer, following Toluna's latest acquisition of Metrixlabs, Tokyo listed market research agency Macromill Inc. acquired 17% of Toluna's issued share capital. In our last audited accounts, Toluna accounted for 73% of Eurovestech's net asset value. Since then, the 2022 annual results showing a loss of £25.7 million have been published. Whilst we have access to subsequent non-audited management accounts, which are subject to confidentiality, the directors of Eurovestech have concluded that the brought forward valuation of Toluna of £36 million cannot be justified. Not only has the latest audited reported loss been significant, the lack of liquidity for this investment, its spiralling debt and our corporate governance concerns means that your board cannot currently justify a valuation of Toluna's equity at more than £180 million. As a result, the value of our shareholding is reduced to £17.4 million. This alone reduces our net asset value per share by 2.7p.

Chairman's Report  
for the Year Ended 30 June 2023

We believe responsibility for this debacle and destruction of shareholder value lies with Verlinvest. We believe that during 2024, Macromill is likely to arrive at the same conclusion, as will Nielsen, a near 10% shareholder. Then the changes that the business desperately requires are likely to be enforced. Long overdue accountability for the ongoing shameful performance should then follow. We believe that when Macromill and Nielsen agree with our assessment, improved management and corporate governance will enable value to be recovered.

Earlier in the year, we convened a meeting of members to raise these concerns and seek to remove Frederic Charles Petit, the Chairman and the two Verlinvest representatives. Given that Eurovestech holds a fully diluted shareholding in Toluna of just under 10%, we were aware that it was unlikely that the resolutions would pass. However, we were able to articulate these important issues to all shareholders.

**Maxoptra**

Whilst the last two years at Toluna have been almost beyond comprehension, the performance of Maxoptra, the independent provider of Software as a Service ("SaaS) route optimisation and vehicle planning solutions has been more than pleasing.

In the year to December 2022, Maxoptra achieved revenues of £3.6 million, an increase of 18% on the year to December 2021. Recurring (software as a service) was £2.2 million. A profit after tax of £1.5 million was achieved. Net cash stood at £3.7 million. I'm delighted to report that 2023 was a year of growing revenue and that net cash has swelled to £5 million. Furthermore, trading for the first five months of 2024 has exceeded our expectations.

Eurovestech received an independent third-party valuation for Maxoptra of £28 million. This places a value of £10.5 million on Eurovestech's interest and represents an increase in value of £4.3 million from the previous year.

Given Maxoptra's strong net cash position, for more than a year, we have been requesting a return of capital so that that surplus capital could be utilized to repay our third-party debt. Whilst the logic of this is strong, Maxoptra has been unwilling to buy in some equity at anything other than a derisory valuation citing the ability to use balance sheet strength to secure new contracts.

However, I am pleased to report that this increase in the value of Maxoptra has been able to be applied to significantly reduce Eurovestech's indebtedness. Earlier this month, Eurovestech agreed to dispose of just under 27% of its shareholding for £2.8 million and reduce Eurovestech's remaining indebtedness to £625,000.

**Other portfolio businesses**

Elsewhere within the portfolio, during the year under review, Magenta effectively carried out a members' voluntary winding up and returned over £0.6 million to Eurovestech.

Lognet Information Systems ("Lognet"), based in Israel, has had to endure challenges to its top line from the huge reduction in travel to the region, as well as from staffing issues. Whilst it is pleasing that despite this, the value of our shareholding in Lognet has increased, the anticipated sale of the business has inevitably been deferred. Despite this adverse geopolitical situation, Lognet achieved increased revenues in 2023. Our shareholding has seen its valuation increase from £2.2 million to £3.5 million.

VizEat Limited (VizEat, which trades as Eatwith) was also affected by the turmoil in Israel. Prior to the recent troubles, revenues from Israel comprised 22% of total revenues. Whilst in recent weeks that market is seeing a modest recovery, from October 7 2023, its revenues in the region fell by 99%. This has contributed to an inevitable write down in its carrying value.

In November 2022, VizEat closed a funding round comprising €1.7 million of new cash invested and conversion of €5.3 million of loan notes. The raise was completed at a pre-money valuation of €20 million. Assisted by continued investment from its largest shareholder, Golden Partner, the business continues to be carefully managed. However, whilst the raise at the €20m pre-money valuation would usually be considered as a basis assessing the carry value of Eurovestech's shares, since the investment was made, trading has been significantly under budget and, given the uncertainty around future funding, your directors believe that it is prudent to reduce the carrying value of Eurovestech's shareholding from £5.1 million to £0.7 million. Currently, Eurovestech and Golden Partners are in active discussions regarding a possible stock market listing of VizEat later this year. This could bring fresh third-party capital and recharge top line growth.

Chairman's Report  
for the Year Ended 30 June 2023

Audionamix SA ("Audionamix"), the audio separation company suffered from both the protracted Actors' Guild strike and a continued lack of investment in R&D from Eurovestech. Last year, we reported that the film and music industries suffered badly from the effects of the pandemic and that this remained the case and that Eurovestech had been unable to provide investment to support new R&D. The situation was further exacerbated by a customer that had committed to pay monthly revenues defaulting. Accordingly, the board of Eurovestech has taken the decision not to continue to support Audionamix and therefore its carrying value has been reduced to zero.

The £18.6 million reduction in the carrying value of Toluna represents 98 per cent of our reported loss for the year of £19.0 million. The 2.7p reduction in net asset value from this write down, has reduced net assets to 4.3p a share.

Despite the current unacceptable situation at Toluna, we expect this shareholding to be realised during 2025. This is also the case for our shareholdings in Maxoptra and Lognet. We therefore are anticipating both substantial realisations and returns of capital during 2025. As soon as these realisations are achieved, subject to satisfying any remaining outstanding liabilities and retaining sufficient cash to fund modest working capital requirements, we plan to return available proceeds to our shareholders.

**R H Grogan**  
**Chairman**

**17 June 2024**

Strategic Report  
for the Year Ended 30 June 2023

The directors present their strategic report for the year ended 30 June 2023.

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

**REVIEW OF BUSINESS**

The company recorded a loss for the financial year after taxation amounting to £19,029,967 (30 June 2022: profit of £8,467,767). This is predominantly due to revaluations and impairments of investments in the year. Further details of the company's performance are given in the Chairman's Report on page 2 of these financial statements.

The directors do not recommend any dividends for the year ended 30 June 2023 (30 June 2022: £nil) and no dividend was paid in the year ended 30 June 2023 (30 June 2022: £nil).

**Future developments**

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

**Key performance indicators**

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

The performance of the company is reflected in the performance of the Company's investment portfolio which shows a carrying value of £32.0 million at 30 June 2023 compared to £50.7 million for 30 June 2022. The movement in the carrying value of the portfolio is a result of an addition to the VizEat Limited investment, a disposal of the Magenta Corporation Limited investment and revaluations at 30 June 2023 of Lognet Information Systems Limited and Maxoptra Limited and the impairment of Audionamix SA, Toluna Holdings Limited and VizEat Limited.

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

**PRINCIPAL RISKS AND UNCERTAINTIES**

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

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

**Financial Risk management**

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

**Foreign exchange risk**

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

Strategic Report  
for the Year Ended 30 June 2023

The Company does not hedge any transactions and foreign exchange differences on re-translation of foreign assets and liabilities are taken to the Profit and Loss Account. The Company does not consider there to be a significant risk from its investments. Sensitivity to reasonable possible movements in exchange rates can be measured on the basis that all other variables remain constant. Strengthening or weakening of the Euro or US dollar against Sterling would impact equity and the results for the year.

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

**Interest rate risk**

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

**Credit risk**

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

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

**Liquidity risk**

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

**Capital risk management**

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

**ON BEHALF OF THE BOARD:**

R P Bernstein - Director

17 June 2024



Report of the Directors  
for the Year Ended 30 June 2023

The directors present their report with the audited financial statements of the company for the year ended 30 June 2023.

**PRINCIPAL ACTIVITIES**

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

**RESULTS**

The results for the year are set out on page 16.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 June 2023.

**RESEARCH AND DEVELOPMENT**

The Company does not perform any research and development activities.

**EVENTS SINCE THE END OF THE YEAR**

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

**DIRECTORS**

The directors shown below have held office during the whole of the year from 1 July 2022 to the date of signing this report.

R P Bernstein

R H Grogan

Q C M Solt

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

**Financial instruments**

The company's principle financial instruments comprise cash, trade debtors and loans, investments and creditors. The main risks associated with these financial assets and liabilities are set out in the strategic report. There is a detailed analysis of financial instruments in note 16 to the financial statements.

**Corporate governance**

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

**The board**

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

**The Chairman and Chief Executive**

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

Report of the Directors  
for the Year Ended 30 June 2023

**Role of the board**

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

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

**Board committees**

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

**Remuneration Committee**

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

**Nomination Committee**

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

**Audit Committee**

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

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

**Shareholder relations**

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

Report of the Directors  
for the Year Ended 30 June 2023

**Directors and Directors' interests**

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

|                                | <b>Salary<br/>and fees</b> | <b>Benefits<br/>in kind</b> | <b>Bonus</b> | <b>2023<br/>Total</b> | 2022<br>Total |
|--------------------------------|----------------------------|-----------------------------|--------------|-----------------------|---------------|
|                                | <b>£</b>                   | <b>£</b>                    | <b>£</b>     | <b>£</b>              | <b>£</b>      |
| <b>Executive Director</b>      |                            |                             |              |                       |               |
| Richard Philip Bernstein       | <b>150</b>                 | -                           | -            | <b>150</b>            | 282           |
| <b>Non-Executive Directors</b> |                            |                             |              |                       |               |
| Richard Henry Grogan           | <b>13</b>                  | -                           | -            | <b>13</b>             | 14            |
| Quentin Colin Maxwell Solt     | <b>28</b>                  | -                           | -            | <b>28</b>             | 28            |
|                                | <b>191</b>                 | -                           | -            | <b>191</b>            | 324           |

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

**Directors' interests in shares**

The interests of the Directors and their families in the shares of the Company at 30 June 2023 and 30 June 2022 were as follows:

|                            | <b>30 June<br/>2023</b>     | 30 June<br>2022     | <b>30 June<br/>2023</b>      | 30 June<br>2022      |
|----------------------------|-----------------------------|---------------------|------------------------------|----------------------|
|                            | <b>Number<br/>of shares</b> | Number<br>of shares | <b>Number<br/>of options</b> | Number<br>of options |
| Richard Philip Bernstein   | <b>22,186,712</b>           | 22,186,712          | -                            | -                    |
| Quentin Colin Maxwell Solt | <b>6,928,018</b>            | 6,928,018           | -                            | -                    |
| Richard Henry Grogan       | -                           | -                   | -                            | -                    |

**Directors' Indemnities**

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

**Internal control**

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

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

Report of the Directors  
for the Year Ended 30 June 2023

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

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

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

**Charitable donations**

During the year to 30 June 2023 charitable donations were made of £nil (2022: £nil). There were no political donations.

**Payment policy and practice**

It is the Company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction and to abide by them. Company trade creditors represented 30 days (30 June 2022: 30 days) of related expenditure in the year. All investment transactions are settled as they become due.

**DISCLOSURE IN THE STRATEGIC REPORT**

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

The review of business is now disclosed in the Strategic Report on pages 5 and 6 of these financial statements.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS**

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

**INDEPENDENT AUDITORS**

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

**ON BEHALF OF THE BOARD:**

R P Bernstein - Director

17 June 2024

### **Opinion**

We have audited the financial statements of Eurovestech Plc (the 'company') for the year ended 30 June 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### **Reporting on other information**

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

**Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility

**Responsibilities of directors**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

**Audit response to risks identified**

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

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

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

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



**Use of our report**

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

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

17 June 2024

Statement of Comprehensive Income  
for the Year Ended 30 June 2023

|  | Notes | 30.6.23<br>£                   | 30.6.22<br>£                  |
|--|-------|--------------------------------|-------------------------------|
| <b>TURNOVER</b>                                | 3     | 20,220                         | 26,982                        |
| Direct expenses                                |       | <u>24,321,989</u>              | <u>1,319,785</u>              |
| <b>GROSS LOSS</b>                              |       | (24,301,769)                   | (1,292,803)                   |
| Administrative expenses                        |       | <u>367,635</u><br>(24,669,404) | <u>411,097</u><br>(1,703,900) |
| Other operating income                         |       | <u>5,578,633</u>               | <u>10,173,608</u>             |
| <b>OPERATING (LOSS)/PROFIT</b>                 | 5     | (19,090,771)                   | 8,469,708                     |
| Interest receivable and similar income         |       | <u>390,092</u><br>(18,700,679) | <u>360,143</u><br>8,829,851   |
| Interest payable and similar expenses          | 6     | <u>329,288</u><br>(19,029,967) | <u>362,084</u><br>8,467,767   |
| Tax on (loss)/profit                           | 7     | <u>-</u><br>(19,029,967)       | <u>-</u><br>8,467,767         |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>    |       | (19,029,967)                   | 8,467,767                     |
| <b>OTHER COMPREHENSIVE INCOME</b>              |       | <u>-</u>                       | <u>-</u>                      |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> |       | <u>(19,029,967)</u>            | <u>8,467,767</u>              |

Balance Sheet  
30 June 2023

|  | Notes | 30.6.23           |                   | 30.6.22           |                   |
|--|-------|-------------------|-------------------|-------------------|-------------------|
|  |       | £                 | £                 | £                 | £                 |
| <b>FIXED ASSETS</b>                          |       |                   |                   |                   |                   |
| Tangible assets                              | 8     | -                 | -                 | -                 | -                 |
| Investments                                  | 9     | 32,046,177        |                   | 50,740,904        |                   |
|  |       | <u>32,046,177</u> |                   | <u>50,740,904</u> |                   |
| <b>CURRENT ASSETS</b>                        |       |                   |                   |                   |                   |
| Debtors                                      | 10    | 49,172            |                   | 304,675           |                   |
| Investments                                  | 11    | 695,000           |                   | -                 |                   |
| Cash at bank and in hand                     | 12    | 243,405           |                   | 673,306           |                   |
|  |       | <u>987,577</u>    |                   | <u>977,981</u>    |                   |
| <b>CREDITORS</b>                             |       |                   |                   |                   |                   |
| Amounts falling due within one year          | 13    | 3,073,940         |                   | 2,721,504         |                   |
| <b>NET CURRENT LIABILITIES</b>               |       |                   | (2,086,363)       |                   | (1,743,523)       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                   | 29,959,814        |                   | 48,997,381        |
| <b>CREDITORS</b>                             |       |                   |                   |                   |                   |
| Amounts falling due after more than one year | 14    |                   | 8,400             |                   | 12,000            |
| <b>NET ASSETS</b>                            |       |                   | <u>29,951,414</u> |                   | <u>48,985,381</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                   |                   |                   |                   |
| Called up share capital                      | 17    | 7,018,227         |                   | 7,018,227         |                   |
| Share premium account                        | 18    | 3,319,520         |                   | 3,323,520         |                   |
| Capital redemption reserve                   | 18    | 4,465,826         |                   | 4,465,826         |                   |
| Other reserves                               | 18    | 100,000           |                   | 100,000           |                   |
| Retained earnings                            | 18    | 15,047,841        |                   | 34,077,808        |                   |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                   | <u>29,951,414</u> |                   | <u>48,985,381</u> |

The financial statements on pages 15 to 31 were approved by the Board of Directors and authorised for issue on 17 June 2024 and were signed on its behalf by:

R P Bernstein - Director

Statement of Changes in Equity  
for the Year Ended 30 June 2023

|                                | Called up<br>share<br>capital<br>£    | Retained<br>earnings<br>£ | Share<br>premium<br>account<br>£ |
|--------------------------------|---------------------------------------|---------------------------|----------------------------------|
| <b>Balance at 1 July 2021</b>  | 5,258,227                             | 25,610,041                | 859,736                          |
| <b>Changes in equity</b>       |                                       |                           |                                  |
| Issue of share capital         | 1,760,000                             | -                         | 2,463,784                        |
| Total comprehensive income     | -                                     | 8,467,767                 | -                                |
| <b>Balance at 30 June 2022</b> | <u>7,018,227</u>                      | <u>34,077,808</u>         | <u>3,323,520</u>                 |
| <b>Changes in equity</b>       |                                       |                           |                                  |
| Issue of share capital         | -                                     | -                         | (4,000)                          |
| Total comprehensive income     | -                                     | (19,029,967)              | -                                |
| <b>Balance at 30 June 2023</b> | <u>7,018,227</u>                      | <u>15,047,841</u>         | <u>3,319,520</u>                 |
|                                | Capital<br>redemption<br>reserve<br>£ | Other<br>reserves<br>£    | Total<br>equity<br>£             |
| <b>Balance at 1 July 2021</b>  | 4,465,826                             | 100,000                   | 36,293,830                       |
| <b>Changes in equity</b>       |                                       |                           |                                  |
| Issue of share capital         | -                                     | -                         | 4,223,784                        |
| Total comprehensive income     | -                                     | -                         | 8,467,767                        |
| <b>Balance at 30 June 2022</b> | <u>4,465,826</u>                      | <u>100,000</u>            | <u>48,985,381</u>                |
| <b>Changes in equity</b>       |                                       |                           |                                  |
| Issue of share capital         | -                                     | -                         | (4,000)                          |
| Total comprehensive income     | -                                     | -                         | (19,029,967)                     |
| <b>Balance at 30 June 2023</b> | <u>4,465,826</u>                      | <u>100,000</u>            | <u>29,951,414</u>                |

Cash Flow Statement  
for the Year Ended 30 June 2023

|   | Notes | 30.6.23<br>£     | 30.6.22<br>£       |
|---|-------|------------------|--------------------|
| <b>Cash flows from operating activities</b>             |       |                  |                    |
| Cash generated from operations                          | 1     | (447,076)        | (511,600)          |
| Interest paid   |       | (329,288)        | (362,084)          |
| Amounts owed by participating interests                 |       | 95,570           | (95,570)           |
| Net cash from operating activities                      |       | <u>(680,794)</u> | <u>(969,254)</u>   |
| <b>Cash flows from investing activities</b>             |       |                  |                    |
| Purchase of investments                                 |       | (800,487)        | (2,561,315)        |
| Sale of investments                                     |       | 662,388          | -                  |
| Interest received                                       |       | 390,092          | 360,143            |
| Net cash from investing activities                      |       | <u>251,993</u>   | <u>(2,201,172)</u> |
| <b>Cash flows from financing activities</b>             |       |                  |                    |
| Loan repayments in year                                 |       | (3,600)          | (802,400)          |
| Amount introduced by directors                          |       | 6,500            | 194                |
| Share issue   |       | -                | 4,400,000          |
| Share premium   |       | (4,000)          | (176,216)          |
| Net cash from financing activities                      |       | <u>(1,100)</u>   | <u>3,421,578</u>   |
| <b>(Decrease)/increase in cash and cash equivalents</b> |       | <u>(429,901)</u> | <u>251,152</u>     |
| <b>Cash and cash equivalents at beginning of year</b>   | 2     | 673,306          | 422,154            |
| <b>Cash and cash equivalents at end of year</b>         | 2     | <u>243,405</u>   | <u>673,306</u>     |

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2023

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

|                                       | 30.6.23                 | 30.6.22                 |
|---------------------------------------|-------------------------|-------------------------|
|                                       | £                       | £                       |
| (Loss)/profit before tax on loss      | (19,029,967)            | 8,467,767               |
| Revaluations and impairments          | 18,137,826              | (9,197,726)             |
| Finance costs                         | 329,288                 | 362,084                 |
| Finance income                        | (390,092)               | (360,143)               |
|                                       | <u>(952,945)</u>        | <u>(728,018)</u>        |
| Decrease in trade and other debtors   | 159,933                 | 66,263                  |
| Increase in trade and other creditors | 345,936                 | 150,155                 |
| <b>Cash generated from operations</b> | <u><u>(447,076)</u></u> | <u><u>(511,600)</u></u> |

2. **CASH AND CASH EQUIVALENTS**

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

**Year ended 30 June 2023**

|                           | 30.6.23        | 1.7.22         |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Cash and cash equivalents | <u>243,405</u> | <u>673,306</u> |

**Year ended 30 June 2022**

|                           | 30.6.22        | 1.7.21         |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Cash and cash equivalents | <u>673,306</u> | <u>422,154</u> |

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2023

3. ANALYSIS OF CHANGES IN NET DEBT

|                                 | At 1.7.22<br>£     | Cash flow<br>£   | At 30.6.23<br>£    |
|---------------------------------|--------------------|------------------|--------------------|
| <b>Net cash</b>                 |                    |                  |                    |
| Cash at bank and in hand        | 673,306            | (429,901)        | 243,405            |
|                                 | <u>673,306</u>     | <u>(429,901)</u> | <u>243,405</u>     |
| <b>Liquid resources</b>         |                    |                  |                    |
| Current asset investments       | -                  | 695,000          | 695,000            |
|                                 | <u>-</u>           | <u>695,000</u>   | <u>695,000</u>     |
| <b>Debt</b>                     |                    |                  |                    |
| Debts falling due within 1 year | (2,403,600)        | -                | (2,403,600)        |
| Debts falling due after 1 year  | (12,000)           | 3,600            | (8,400)            |
|                                 | <u>(2,415,600)</u> | <u>3,600</u>     | <u>(2,412,000)</u> |
| <b>Total</b>                    | <u>(1,742,294)</u> | <u>268,699</u>   | <u>(1,473,595)</u> |

Notes to the Financial Statements  
for the Year Ended 30 June 2023

1. **COMPANY INFORMATION**

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

2. **ACCOUNTING POLICIES**

**Accounting convention**

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

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

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

**Turnover**

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

**Tangible assets**

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

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

**Pension costs and other post-retirement benefits**

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

**Investments**

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

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



## 2. ACCOUNTING POLICIES - continued

### **Financial instruments**

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

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

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

### **Basic financial assets**

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

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

### **Investments - non-current**

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

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

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

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

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

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

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

2. **ACCOUNTING POLICIES - continued**

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

**Investments - current**

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

**Investments - derivatives**

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

**Cash and cash equivalents**

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

**Trade debtors**

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

**Fair value estimation**

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

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

**Basic financial liabilities**

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

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

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

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

2. **ACCOUNTING POLICIES - continued**

**Derecognition of financial liabilities**

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

**Foreign currency translation**

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

**Borrowing costs**

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

**Exceptional items**

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

**Impairment of non-financial assets**

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

**Provisions**

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

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

**Leases**

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

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

**Long term incentive employee compensation**

2. **ACCOUNTING POLICIES - continued**

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

**Equity instruments**

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

**Issued share capital**

Ordinary shares are classified as equity.

**Share premium**

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

**Capital redemption reserve**

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

**Other reserve**

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

**Retained earnings**

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

**Current tax**

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

**Deferred tax**

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

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

**Dividends**

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

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

2. **ACCOUNTING POLICIES - continued**

**Use of key accounting estimates and judgements**

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

**Critical accounting assumptions and estimates**

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

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

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

**Going concern**

The company does not trade as such and its value is in its investee companies. The company has a strong balance sheet albeit a reduced net assets due to the impairment of investments. The shareholder funds have reduced from £49.0m to £30.0m.

In June 2024, the company significantly reduced its indebtedness by agreeing to dispose of 26.8% of its shareholding in MaxOptra Limited in consideration of part repayment of its loan to a value of £2.8 million. The remaining indebtedness was reduced to £625,000 with a coupon of 15% and a new maturity date of 31 December 2025.

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

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

3. **TURNOVER**

The turnover and loss (2022 - profit) before taxation are attributable to the principal activities of the company.

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

|                              | 30.6.23       | 30.6.22       |
|------------------------------|---------------|---------------|
|                              | £             | £             |
| Consultancy                  | 20,000        | 20,000        |
| Other income                 | 220           | 315           |
| Government grants (Covid 19) | -             | 6,667         |
|                              | <u>20,220</u> | <u>26,982</u> |

An analysis of turnover by geographical market is given below:

|                | 30.6.23       | 30.6.22       |
|----------------|---------------|---------------|
|                | £             | £             |
| United Kingdom | <u>20,220</u> | <u>26,982</u> |
|                | <u>20,220</u> | <u>26,982</u> |

Turnover is for non-executive fees charged to an investee company.

The company does not trade as such and its main reported revenue is from the uplift in fixed asset investment values as reported in other operating income.

All turnover is net of VAT.

4. **EMPLOYEES AND DIRECTORS**

|                       | 30.6.23        | 30.6.22        |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Wages and salaries    | 240,544        | 388,384        |
| Social security costs | 23,068         | 42,809         |
| Other pension costs   | 2,549          | 2,913          |
| Directors'            | <u>266,161</u> | <u>434,106</u> |

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

|                | 30.6.23  | 30.6.22  |
|----------------|----------|----------|
| Directors      | 3        | 3        |
| Administration | <u>2</u> | <u>2</u> |
|                | <u>5</u> | <u>5</u> |

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

5. **OPERATING (LOSS)/PROFIT**

The operating loss (2022 - operating profit) is stated after charging:

|                        |               |               |
|------------------------|---------------|---------------|
|                        | 30.6.23       | 30.6.22       |
|                        | £             | £             |
| Auditors' remuneration | <u>20,000</u> | <u>20,000</u> |

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

|                  |                |                |
|------------------|----------------|----------------|
|                  | 30.6.23        | 30.6.22        |
|                  | £              | £              |
| Interest payable | <u>329,288</u> | <u>362,084</u> |

7. **TAX ON LOSS****Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 30 June 2023 nor for the year ended 30 June 2022.

**Reconciliation of total tax charge included in profit and loss**

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

|  |                     |                  |
|--|---------------------|------------------|
|  | 30.6.23             | 30.6.22          |
|  | £                   | £                |
| (Loss)/profit before tax   | <u>(19,029,967)</u> | <u>8,467,767</u> |
| (Loss)/profit multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%) | (4,757,492)         | 1,608,876        |
| Effects of:  |                     |                  |
| Expenses not deductible for tax purposes   | 5,929,115           | 185,418          |
| Income not taxable for tax purposes  | (1,394,658)         | (1,932,986)      |
| Tax losses   | <u>223,035</u>      | <u>138,692</u>   |
| Total tax charge   | <u>-</u>            | <u>-</u>         |

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

## 8. TANGIBLE ASSETS

|                        | Fixtures<br>and<br>fittings<br>£ | Computer<br>equipment<br>£ | Totals<br>£ |
|------------------------|----------------------------------|----------------------------|-------------|
| <b>COST</b>            |                                  |                            |             |
| At 1 July 2022         | 12,008                           | 37,613                     | 49,621      |
| Disposals              | (12,008)                         | (28,614)                   | (40,622)    |
| At 30 June 2023        | -                                | 8,999                      | 8,999       |
| <b>DEPRECIATION</b>    |                                  |                            |             |
| At 1 July 2022         | 12,008                           | 37,613                     | 49,621      |
| Eliminated on disposal | (12,008)                         | (28,614)                   | (40,622)    |
| At 30 June 2023        | -                                | 8,999                      | 8,999       |
| <b>NET BOOK VALUE</b>  |                                  |                            |             |
| At 30 June 2023        | -                                | -                          | -           |
| At 30 June 2022        | -                                | -                          | -           |

## 9. INVESTMENTS

|                          | Shares in<br>group<br>undertakings<br>£ |
|--------------------------|---|
| <b>COST OR VALUATION</b> |   |
| At 1 July 2022           | 50,740,904                              |
| Additions                | 105,487                                 |
| Disposals                | (662,388)                               |
| Revaluations             | 5,578,633                               |
| Impairments              | (23,716,459)                            |
| At 30 June 2023          | 32,046,177                              |
| <b>NET BOOK VALUE</b>    |   |
| At 30 June 2023          | 32,046,177                              |
| At 30 June 2022          | 50,740,904                              |

Cost or valuation at 30 June 2023 is represented by:

|                   | Shares in<br>group<br>undertakings<br>£ |
|-------------------|---|
| Valuation in 2023 | (4,816,317)                             |
| Cost              | 36,862,494                              |
|                   | 32,046,177                              |



Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

## 9. INVESTMENTS - continued

During the year there was a fixed asset investment addition in VizEat Limited of £21,234 and there was a full disposal of Magenta Corporation Limited of £662,388.

The Company's investments in associated companies at 30 June 2023 were as follows;

| Name of Investment                 | Percentage interest<br>in ordinary shares at<br>30 June 2023 (%) | £ | Fair value at<br>30 June 2023 |
|------------------------------------|--|---|-------------------------------|
| Audionamix SA                      | 99.99  |   | -                             |
| Maxoptra Limited                   | 37.32  |   | 10,449,600                    |
| Lognet Information Systems Limited | 20.35  |   | 3,473,745                     |
| VizEat Limited                     | 16.44  |   | 706,489                       |
| Toluna Holdings Limited            | 9.62   |   | 17,354,480                    |
| PierianDX                          | 2.00   |   | 50,863                        |
| Supponor Limited                   | 0.09   |   | 11,000                        |
| <b>Investments carrying value</b>  |  |   | <b>32,046,177</b>             |

The registered offices of the investments are as follows;

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

## 10. DEBTORS

|   |               |                |
|---|---------------|----------------|
|   | 30.6.23       | 30.6.22        |
|   | £             | £              |
| Trade debtors                           | 18,000        | 18,275         |
| Amounts owed by participating interests | -             | 95,570         |
| Other debtors                           | 29,649        | 189,425        |
| Prepayments and accrued income          | 1,523         | 1,405          |
|   | <u>49,172</u> | <u>304,675</u> |

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

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

11. **INVESTMENTS**

|  | 30.6.23        | 30.6.22  |
|--|----------------|----------|
|  | £              | £        |
| Listed investments   | <u>695,000</u> | <u>-</u> |
| Market value of listed investments at 30 June 2023 - £ 0 . |                |          |

Listed investments are carried at market value.

12. **CASH AT BANK AND IN HAND**

Cash at bank and on call at the year end was £243,405 (2022: £673,306).

13. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                              | 30.6.23          | 30.6.22          |
|------------------------------|------------------|------------------|
|                              | £                | £                |
| Other loans (see note 15)    | 2,403,600        | 2,403,600        |
| Trade creditors              | 8,613            | 5,064            |
| Taxation and social security | 9,442            | 7,475            |
| Other creditors              | 69,681           | 58,616           |
| Directors' current accounts  | 7,404            | 904              |
| Accruals and deferred income | <u>575,200</u>   | <u>245,845</u>   |
|                              | <u>3,073,940</u> | <u>2,721,504</u> |

14. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                          | 30.6.23      | 30.6.22       |
|--------------------------|--------------|---------------|
|                          | £            | £             |
| Bank loans (see note 15) | <u>8,400</u> | <u>12,000</u> |

15. **LOANS**

An analysis of the maturity of loans is given below:

|   | 30.6.23          | 30.6.22          |
|---|------------------|------------------|
|   | £                | £                |
| Amounts falling due within one year or on demand: |                  |                  |
| Other loans                                       | <u>2,403,600</u> | <u>2,403,600</u> |
| Amounts falling due between two and five years:   |                  |                  |
| Bank loans - 2-5 years                            | <u>8,400</u>     | <u>12,000</u>    |

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

15. **LOANS - continued**

No new loans were taken in the year and no loans were redeemed during the year.

The key terms of the outstanding loans at 30 June 2023 are as follows;

On 1 April 2021, a loan of £2,400,000 with Locksash Company was secured with a charge over Eurovestech's shareholdings in Maxoptra Limited (113,302 shares) and Lognet Information Systems Limited (6,759,240 shares), at an interest rate of 12.0% payable quarterly. The loan was for a period of 24 months from drawdown. On 20 March 2023, it was agreed to extend the repayment date of the loan for 12 months to 31 March 2024 at a revised interest rate of 15% payable quarterly. On the 14 June 2024, 26.8% of the company holding in Maxoptra Limited was sold and £2.8m of the outstanding loan and interest, which stood at £3,422,969 at this date was repaid. The remaining balance was renegotiated to an outstanding loan of £625,000 at an interest rate of 15.% payable quarterly. Any unpaid interest is added to the principal and interest is charged thereon. The repayment date for this loan is 31 December 2025.

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

16. **FINANCIAL INSTRUMENTS****Categories of financial instrument**

|  | 30.6.23    | 30.6.22    |
|--|------------|------------|
|  | £          | £          |
| <b>Financial Assets</b>  |            |            |
| Cash and cash equivalents  | 243,405    | 673,306    |
| Loans and debtors  | 31,172     | 286,400    |
| Financial assets at fair value through profit and loss - non-current | 32,046,177 | 50,740,904 |
| <b>Financial liabilities</b>   |            |            |
| Borrowings   | 2,412,000  | 2,415,600  |
| Creditors  | 85,698     | 64,584     |
| <b>Fair Value of financial assets</b>                                |            |            |
| Unlisted equity securities   | 32,046,177 | 50,740,904 |

17. **CALLED UP SHARE CAPITAL**

|                                  |          |                |                  |                  |
|----------------------------------|----------|----------------|------------------|------------------|
| Allotted, issued and fully paid: |          |                |                  |                  |
| Number:                          | Class:   | Nominal value: | 30.6.23          | 30.6.22          |
|                                  |          |                | £                | £                |
| 701,822,727                      | Ordinary | £0.01          | <u>7,018,227</u> | <u>7,018,227</u> |

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

## 18. RESERVES

|                         | Retained<br>earnings<br>£ | Share<br>premium<br>account<br>£ | Capital<br>redemption<br>reserve<br>£ | Other<br>reserves<br>£ | Totals<br>£  |
|-------------------------|---------------------------|----------------------------------|---------------------------------------|------------------------|--------------|
| At 1 July 2022          | 34,077,808                | 3,323,520                        | 4,465,826                             | 100,000                | 41,967,154   |
| Deficit for the year    | (19,029,967)              |                                  |                                       |                        | (19,029,967) |
| Share premium reduction | -                         | (4,000)                          | -                                     | -                      | (4,000)      |
| At 30 June 2023         | 15,047,841                | 3,319,520                        | 4,465,826                             | 100,000                | 22,933,187   |

At 30 June 2023, the company's distributable reserves were negative £663,293 (2022: £2,583,623). All gains which remain unrealised at the balance sheet date are not distributable.

## 19. CONTINGENT LIABILITIES

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

## 20. CAPITAL COMMITMENTS

The Company had no capital commitments at 30 June 2023 (2022: £nil).

**21. RELATED PARTY DISCLOSURES**

During the year, the Company charged Toluna Holdings Limited £20,000 (2022: £20,000) in fees for Non-Executive Directors' services and re-charged expenses of £nil (2022: £nil). At 30 June 2023, £18,000 (2022: £18,000) was due from Toluna Holdings Limited, inclusive of vat. Toluna Holdings Limited is one of Eurovestech Plc's investee companies.

During the year, the Company provided additional loan funding of €20,000 (£16,454) (2022: €70,000 (£59,330)) to Audionamix SA and charged interest of €445,736 (£387,236) (2022: €218,830 (£185,345)) to Audionamix SA. At 30 June 2023, €543,990 (£463,909) (2022: €78,254 (£60,219)) was due from Audionamix SA. This balance has been provided against at year ended 30 June 2023 to reduce the balance due to £nil. This is due to the impairment of this investment to £nil. Audionamix SA is a Eurovestech Plc investee company.

During the year, the Company provided loan funding of £61,833 (2022: £35,000) to Audionamix Inc and charged interest of £2,856 (2022: £351) to Audionamix Inc. At 30 June 2023, £100,041 (2022: £35,351) was due from Audionamix Inc. This balance has been provided against at year ended 30 June 2023 to reduce the balance due to £nil. This is due to the impairment of this investment to £nil. Audionamix Inc is indirectly a Eurovestech Plc investee company as Audionamix SA owns Audionamix Inc.

At the Balance Sheet date, included within other debtors, is an amount owed by a non-executive director of £1,590 (2022: £12,112).

At the Balance Sheet date, included within creditors, is an amount owed to a director of £7,404 (2022: £904).

The Company has a profit sharing agreement with its Executive Directors. Refer to note 19 for further details.

There were no other related party transactions.

**22. POST BALANCE SHEET EVENTS**

In June 2024, the company disposed of 26.8% of its holding in Maxoptra Limited and repaid £2.8m of the outstanding loan and interest which stood at £3,422,969 at this date. The remaining balance was renegotiated to an outstanding loan of £625,000 at an interest rate of 15.% payable quarterly. Any unpaid interest is added to the principal and interest is charged thereon. The repayment date for this loan is 31 December 2025.

**23. FINANCIAL STATEMENTS**

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.