



**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 30 September 2022**

for

S-VENTURES PLC



S-Ventures PLC
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for the Year Ended 30 September 2022

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S-VENTURES PLC

**Company Information
for the Year Ended 30 September 2022**

DIRECTORS:

B Choudhrie
N A D'Onofrio
R D Hewitt
S P Livingston
D Mitchell
A J B Phillips

SECRETARY:

R D Hewitt

FINANCIAL ADVISOR:

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

AUDITORS:

PKF Littlejohn LLP
15 Westferry Circus
London E14 4HD

LAWYERS:

Hill Dickinson LLP
The Broadgate Tower
20 Primrose Street
London, EC2A2EW

REGISTRARS:

Neville Registrars
Neville House
Steelpark Road
Halesowen
B62 8HD

REGISTERED OFFICE:

C/o Bwbca Limited
Dukes Court
Duke Street
Woking
Surrey GU21 5BH

REGISTERED NUMBER:

12723377 (England and
Wales)

S-VENTURES PLC

Group Strategic Report for the Year Ended 30 September 2022

CHAIRMAN'S STATEMENT:

The Board is pleased to present the Company's audited results for the year to 30 September 2022.

Since listing on the AQSE Growth Market in September 2020, the Company has made rapid progress acquiring majority stakes in three fast growing companies and investing in two more. Its ability to identify targets and complete transactions has resulted in the Company being able to raise significant investment funds enabling the Company to develop and build an attractive and valuable investment vehicle that will continue to take advantage of the growth opportunities emerging in our sector.

Investment strategy and target markets

S-Ventures looks to identify investment opportunities in the *Health & Wellness*, *Organic Food* and *Wellbeing* sectors within the UK and Europe and our strategy is to add value by adding capital and expertise to target companies. The year ending 30 September 2022 was very busy period for S-Ventures PLC. During the period we were very active in market conditions that were challenging for many of our portfolio companies. In addition to ongoing assistance and advice to our existing portfolio companies, we acquired three companies – Livia's, Market Rocket and Lizza - and negotiated the key terms of our acquisition of Juvela, our largest to acquisition date by revenues, which closed after period end.

Pulsin and our other portfolio companies faced substantial headwinds in terms of supply sourcing and cost which impacted both revenue and profitability. We took early decisions to restructure management functions, eliminate overhead, bring other portfolio company brands under Pulsin control and negotiate a revision to Pulsin's acquisition terms all of which have been very beneficial for our shareholders.

The acquisition of Livia's, the healthy food treats brand, was announced on 18 February 2022 and has since been integrated and brought under the control of Pulsin also to rationalise overhead and generate cost savings. During the period, Livia's faced significant market headwinds which resulted in Livia's growing revenues below plan. As a result, the contingent consideration in cash and shares that might otherwise have been due from us to the vendors lapsed.

The acquisition of Market Rocket, an award winning and market leading digital tech company specialising in enabling clients to sell more through the Amazon platform, was announced on 28 March 2022. Market Rocket has been highly successful and performed above plan in the period. The Market Rocket team led by Matthew Peck bring exciting expertise and immediate synergies to existing and future brands acquired by the group. We are delighted to have Matthew and his team on board and have since the period end have supported further growth of this business through the acquisition of two digital agencies.

The acquisition of Lizza GmbH, a natural free-from bread and pasta brand based in Frankfurt, Germany, was announced on 1 September 2022 Lizza was a loss making business acquired for a nominal price with a need for an immediate turnaround. In the period, we focused Lizza on its core Keto pizza base product range and invested in supporting its growth. Unfortunately in the period and since the period end a combination of factors in terms of supply, logistics and input costs materially affected the profitability and prospects of Lizza. Having determined that continuing to support Lizza was no longer commercially viable and not in the interests of shareholders, we filed for insolvency of Lizza as announced on 11 April 2023.

Throughout the year ending 30 September 2022 we were in discussions with respect to the acquisition of a number of other UK businesses but could not agree terms that would have been in shareholders' interests except, ultimately, in the case of Juvela where we concluded terms after the period end as announced on 15 December 2022. I am pleased to report that Juvela has been successfully integrated and is performing as expected.

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

Finally, I would like to express our gratitude to our employees, board members and shareholders for their efforts and continued support and for making our progress to date possible. I would also like to thank Nick D’Onofrio, a non-executive director of S-Ventures plc since its formation, for his service. Nick has notified the board that he will not be seeking re-election at the forthcoming annual general meeting.

Summary

The Company's second year as a public company builds on the progress made last year. We have grown our revenues, increased the number of products and brands that we own or have significant interest in and we look forward with optimism to the future with a management team ready to seize opportunities that arise from the current uncertain economic and political back drop.

David Mitchell
.....
David Mitchell
Non-executive Chairman
30 June 2023

S-VENTURES PLC

Group Strategic Report for the Year Ended 30 September 2022

CHIEF EXECUTIVE OFFICER'S REPORT

The Board is pleased to report on its annual results for the period ended 30 September 2022. This has proved to be a challenging year as we developed our acquisition plans and bedded down existing investments. These plans have seen the acquisition of Livia's, Market Rocket, Lizza and, after the year end, Juvela. We continue to look out for opportunities of significant synergistic advantage. The market opportunity to acquire or invest in developing food and consumer businesses remains both challenging and exciting, and we are particularly well placed given our larger scale to enhance operations through a centralised resource, marketing and distribution function.

We plan to accelerate each brand via diversified channels and gain critical mass in a number of related and similar sectors. Following our acquisitions, we have now grouped our businesses into 3 divisions to provide a better focus. These divisions are:-

Bakery (and free from) –Juvela Ltd (Wales).

Plant Based free from Nutrition –Pulsin and brands now managed under Pulsin: We Love Purely, Livia's and Ohso Chocolate (Gloucester).

Technical services – Market Rocket Ltd and D2C / Amazon specialists (London).

Post Balance Sheet events (Note 30 to Accounts)

- On 1st October, 2022, Market Rocket took on an experienced SEO marketing team previously trading as Media Snug. This has enabled Market Rocket to offer a full range of SEO and Digital marketing services.
- On 14 December 2022, we acquired 100% of Juvela Limited (formerly) Hero UK Limited. The business is an approved supplier of products for coeliacs and has annual revenues of c £8.5m. It has a fully equipped bakery in Pontypool which has opportunities for merging other group activities into.

The business was acquired for a mix of cash, shares and deferred consideration totally £8.8m. The cash element was supported by terms loans from Shawbrook Finance amounting to £5.5m.

- On 5 April 2023, Insolvency proceedings were started in Germany to close Lizza GmbH following a board review and decision to cease our operations there. Unsustainable trading losses were incurred despite some savings in operating costs. The group has lost c £0.9 m in support funding and unpaid customer accounts mainly in the post balance sheet period. Following this strategic decision, the monthly Group EBITDA has moved into positive territory.

Outlook

Whilst our immediate aim is to absorb the recent acquisitions and ensure they fuse into a well run group operation, we remain aware of opportunities to acquire further business. The investment thesis central to S-Ventures is strengthened in the current environment. The long-term structural trends in favour of health and wellness and, particularly, healthy foods and beverages remain intact. We expect the near-term macroeconomic environment to be challenging with input cost inflation and potential erosion of disposable incomes. Near-term headwinds for the economy will likely present S-Ventures with potentially further compelling opportunities and challenges. The Board's stance is to remain alert for opportunities, while maintaining a cautious and defensive approach to execution. We remain in dialogue with investors from time to time and expect to continue to raise funds to take advantage of opportunities, to ensure an optimal capital structure in context of rising interest rates as well as for general corporate purposes.

SP Livingston

Scott Livingston, Chief Executive Officer
Date: 30 June 2023

S-VENTURES PLC

Group Strategic Report for the Year Ended 30 September 2022

FINANCIAL REVIEW

Introduction:

Our second year has been busy but the main focus has been on restoring the existing businesses to profitability; a task which is showing some promise in the management accounts since the year end.

The group has grown its gross sales to £8.6m before trade discounts of £0.8 resulting in net sales of £7.8m. but sustained losses of £3.5 m after costs of acquisition and impairments.

The loss of £3.5m includes some £2.1m of one-off costs comprising costs associated with acquisitions (£0.3 m), closures and redundancies (£0.2m), goodwill written off (£0.5m) and impairment of Lizza assets (£0.9m) and a deferred tax write back of £0.2m.

In addition, now that we have completed the Purchase Price Allocation reviews, this has resulted in additional amortisation costs of (£0.3m). However, trading margins improved across the group from 28% to 33%.

The directors do not propose to declare a dividend. The resultant loss represents a 2.92p (2021- 0.76p) loss per share in issue at the end of the financial period.

Comment on performance of our owned businesses:

PLANT BASED NUTRITION

Pulsin:

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

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

Pulsin had gross sales of approximately £7.5m in the twelve months to 30 September (2021 - £6.3m). Some £0.5m of this growth is attributable to Livias, so the main Pulsin brand and other direct activities grew by some 10%. This level of growth is a little disappointing, but the focus in bringing the business back to profitability has delayed the introduction of new products which are now planned for later in 2023.

As a result of the problems and the losses sustained, we were able to negotiate the acquisition terms whereby the Loan Notes were cancelled in favour of small further issue of shares in S-Ventures and an element of cash. The gain on these loan notes of £0.6m is shown in our Consolidated Income Statement.

The restructuring of the business has involved the following during the year:-

- The taking on of new premises to manage the logistics; this became operational in January 2022 but took a few months for staff to bed in effectively
- Revising the shift patterns which was effective from August
- Changing the senior management team.

S-VENTURES PLC

Group Strategic Report for the Year Ended 30 September 2022

We Love Purely

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

Sales for the year grew from £0.2 m (in 9 months to 30 September 21) to £0.4m. However, the business has suffered from the fall in the US dollar exchange rate and also shipping difficulties earlier in the year. The range is being updated and new flavours should begin to appear in the coming months.

In addition, sales overseas are growing.

Ohso Chocolate

Ohso is UK-based brand specialising in luxury Belgian chocolate with added live cultures (probiotics) via a unique micro-encapsulation process. It is proven that this delivers live cultures to the gut three times more effectively than probiotic yoghurts.

This business has struggled to find a place in retail circles and we now consider that it is essentially a niche subscription product best suited to B2B channels. As a result the 85g bar has yet to gain much traction. Accordingly, Sales fell from £0.3m to £0.2m. As a result of this experience, we have agreed to allow Market Rocket to manage the brand as a B2B only product and we anticipate that it will regain and grow its online presence. The annual accounts include an impairment of £304,605 of the original investment.

BAKERY DIVISION

This is a very new division based on recent acquisitions; Lizza was part of the group for 6 weeks only.

After the balance sheet date, we acquired Juvela Limited in December 2022, which is a profitable business generating EBITDA of some £2m plus based on annual sales of some £8.5m. Early indications are that it will be a good addition to the group's portfolio with many synergy opportunities.

Lizza:

Lizza GmbH, a company based in Frankfurt, Germany was acquired for €1 plus the assignment of an intercompany debt for a further €1. The business was loss making and we expected it to take up to 18 months to turn around fully and integrate its products and systems into the group fully.

Prior to our acquisition, the former owners decided to change the product offering to make it more acceptable to retail outlets; sadly this has resulted in a significant downturn in sales partly because the price point was set too high and secondly the online clientele did not like the newer offering so much. These factors made the turnover targets more difficult than foreseen.

The Board concluded in late March that the business was not viable and was considerably behind our expectations for turn around. It was requiring c €100,000 or more per month to fund but generating significant losses. Some redundancies were made, but the sales did not respond as we had hoped. Accordingly, it was reluctantly decided to close the business and place it into a formal German Insolvency process which started on 5 April 2023.

Our reasons for acquiring Lizza were to provide a gateway into the European markets and to also expand our range of products. Whilst the early signs of being able to sell Pulsin products through Lizza were encouraging, the flax based products have less appeal in the UK, a position not aided by the short shelf life of the products.

The group remains the largest creditor of the business both from monies injected and the assigned intercompany debt. At this early stage it is too early to assess whether any recovery will be made from the Insolvency process. The groups' exposure is c £0.9m.

S-VENTURES PLC

Group Strategic Report for the Year Ended 30 September 2022

TECHICAL SERVICES

Market Rocket Limited ("MRL") was acquired on 8 April 2022 to provide a boost to our on-line strategies. Its sales in the 12 months to March 2022, from third party clients was some £0.8 m. Its sales for the 6 months since including group services amounted to £0.4 m.

We have continued to develop and grow this business by two key decisions:

- We took on a team of specialists to complement the MRL services so that it can now provide a more rounded SEO skill set to clients. The new team started in October 2023.
- Under its brand of Marketverse, it is taking on direct sales responsibilities for clients (including group companies) using the Amazon and other online platforms. As a result, sales are expected to grow significantly. Although the margin from this business is lower due to the marketing and selling fees, gross profit will be higher due to the increase in sales volume.

Cash flow and cash position:

Since the launch of the group, funding for the group activities has come from shareholder monies. The directors recognise the need for additional funding and is in active discussion with a number of parties pending the release of these accounts. Post the balance sheet date the CEO has provided a £0.5m loan facility to fund working capital as required. The expected improvement in trading of our Group companies during the coming year should provide opportunities to take up appropriate bank loans and working capital facilities. The board is actively seeking additional investment and is engaged in discussions with several parties.

INVESTMENTS

Coldpress Food

S-Ventures acquired an original 3.3% stake in Coldpress Food Ltd in September 2020 and also provided convertible loans. In the event, we elected not to convert our loans which have now been repaid in full with interest. We retain our shares, although the stake has reduced to 1.97% due to further share issues in the Company.

Plant Punk

S-Ventures acquired a 50% stake in Vegan Punk Ventures Limited (trading as "Plant Punk") in August 2021 and has since invested £175,000 as at the balance sheet date in loans (partly secured on a line of production equipment).

The 100% plant-based meat alternative with zero compromise: premium taste yet 60% less calories and fat than their competitors. Plant Punk doesn't use any processed ingredients, only sustainable plant-based ingredients created using low impact production processes.

The product is now ready to launch to retail channels. However, the progress in the past year has been made more difficult by difference of opinion between the shareholders in the joint venture. We anticipate that this will be resolved in the next quarter.

S-VENTURES PLC

Group Strategic Report for the Year Ended 30 September 2022

Current trading

Since the balance sheet date the company's trading has improved in all companies, apart from Lizza. Our new acquisition Juvela is currently trading ahead of its profit forecast and Pulsin is trading in line with its H1 expectations. Market Rocket sales are growing strongly on the back of Marketverse.

As noted above, we are working on bringing in some synergistic changes which will greatly improve the profitability of the group.

- The potential merger of logistics and some production between Pulsin and Juvela
- Some capital expenditure at Juvela which will enable us to bring its ingredient mixing in house with, which will both improve profitability and increase our flexibility

S-VENTURES PLC

**Strategic report
for the Year Ended 30 September 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

Our key risks can be summarised:-

Risk	Impact	Mitigation
Foreign exchange:	Currency volatility impacts our cost of goods in We Love Purely as the product is sourced in US dollars. Also impacted on the reporting of trading data from Lizza.	The Group does not hedge its foreign exchange exposures. We Love Purely: we keep exchanges under review and as sales grow will be looking to lock in exchange rates. Pulsin: - much of its risk is naturally hedged by having both EU suppliers and Customers.
Key Suppliers:	Risk that failure of supply by a major supplier would impact on our ability to service our customers	This is not an issue for the group save for We Love Purely which is reliant on a single supplier. The position is regularly reviewed, but this supplier selected provides a certain quality of Plantain crisps not available elsewhere.
Brexit / Covid	Pulsin was affected by Brexit issues associated with importing and exporting and labelling in early January which limited supply of materials.	The impact has receded
Ukraine / Russian war	Initially the outbreak of war caused a temporary delay in supplies and also increased the prices. This has now receded but the recent developments and the breach of the dam on the Dnieper could further market disruption as companies scramble to get supplies for a reduced market.	We continue to be aware and look for alternative sources of materials.
Credit and Liquidity risks	Lack of working capital would impact the group's ability to acquire goods and services.	Where issues arise, we work with the Supplier to ensure continued supply in some cases rescheduling the payment terms. The CEO has provided a line of credit of £0.5m to support the business.
Insurance / Regulatory risk	Loss occasioned by product issues and normal commercial risks	All our business carry appropriate insurance covers for product liability and other risks.

As explained in note 2 of the accounts, there has been a significant drain on the company's cash flow following the acquisition of Lizza GmbH. The directors recognise that additional capital is needed to ensure that the company can continue to discharge its liabilities as they fall due, resulting in a material uncertainty which casts significant doubt upon the company's ability to continue as a going concern. However, the directors are presently engaged in discussions with a number of parties which they believe will conclude successfully when these accounts are issued. In the interim, the CEO has made a loan facility available to the group of £0.5 million to ensure the company can meet its liabilities as they fall due.

S-VENTURES PLC

Strategic report for the Year Ended 30 September 2022

SECTION 172 STATEMENT

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

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

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

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

Stakeholder	How we engage
Our Shareholders The Board and Executive Management Team maintains strong relationships with investors and supports open channels of communication	The Company proactively engages in dialogue with shareholders. Since the IPO in September 2021, the CEO has participated in number of investor presentations and at various other investment led events. Our first AGM was held on 11th April 2022 and our next will be held in July 2023. This will provide an opportunity for shareholders to meet the directors and discuss the year's results. Website and shareholder communications Further details on the Group, our business and key financial dates can be found on our corporate website: https://www.sS-venturesplc.com/
Our People Our employees are at the core of all that we do.	At S-Ventures, we believe that our strength comes from our staff and success comes from shared goals and values. We are proud to celebrate the diversity of our employees and work hard to empower our workforce and to create a positive and inclusive culture within which our teams can grow. The sustainable success of the business is dependent upon the development of and investment in our teams of highly talented and dedicated employees. Our teams are kept fully informed of the business' performance, operational and strategic initiatives through newsletters and quarterly townhalls. We continually strive to maintain open communication and encourage collaboration from all our employees.
Our Customers and Brand partners Communication with our customers and brand partners is fundamental to understanding how we can continue to add value through the products and in the services we provide	The trust of our customers and partners is fundamental to our success. We are committed to building innovative customer-led technology solutions and products. We maintain a strong relationship with our partners through our dedicated accounts management team. Through regular meetings and conversations, we regularly review their feedback which enables us to improve the services and solutions we provide.

S-VENTURES PLC

**Strategic report
for the Year Ended 30 September 2022**

Section 172 statement continued

<p>Our Suppliers The relationship we have with our suppliers is key to ensuring that the quality of the products we deliver to our customers are maintained at a high standard and the delivery is managed for the smooth-running of our business and its operations</p>	<p>We rely on suppliers and logistics partners across a number of geographical locations. Throughout the year we have worked closely with our key suppliers and logistics partners to manage the continued disruptions as a result of COVID-19 and Brexit. It is important that we continue to communicate with our suppliers and adapt to ensure the high quality of our products and services are maintained.</p>
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ON BEHALF OF THE BOARD:

R Hewitt

R D Hewitt - Director

Date: 30 June 2023

S-VENTURES PLC

Report of the Directors for the Year Ended 30 September 2022

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2022.

DIVIDENDS

No dividends will be distributed for the period ended 30 September 2022.

FUTURE DEVELOPMENTS

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

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the Note 30 to the financial statements.

DIRECTORS

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

B Choudhrie
N A D'Onofrio
R D Hewitt
S P Livingston
D M Mitchell
A J B Phillips

REMUNERATION COMMITTEE REPORT

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

In the year to 30 September 2022, the Remuneration Committee consisted of the Non-Executive Chairman and two non-executive directors: David Mitchell, Nick D'Onofrio and Bhanu Choudhrie. The Remuneration Committee is convened not less than twice a year and otherwise as required. The Committee met twice during the period ended 30 September 2022.

Directors' Remuneration Policy:

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

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

S-VENTURES PLC

**Report of the Directors
for the Year Ended 30 September 2022**

Directors remuneration

					Year End 30.9.22
Executive directors	Salary	Pension	Benefits	Bonus	Total
Scott Livingston	124,333	-	1,894	-	126,226
Robert Hewitt	60,000	-	-	-	60,000

Prior period 16 months to 30.9.21:

	Salary	Pension	Benefits	Bonus	Total
Executive directors					
Scott Livingston	53,333	-	883	20,000	74,217
Robert Hewitt	26,667	-	-	10,000	36,667

	Year End 30.9.2022	16 month Period End 30.9.21
Non- executive directors	£	£
Fees payable		
David Mitchell	£30,000	12,000
Alex Phillips	£12,000	13,000
Nick D'Onofrio	£12,000	13,000
Bhanu Choudhrie	£12,000	6,000

Service Contracts and non-executive directors' Letters of Appointment

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

During the year ended 30 September 2022, there have been 7 Board meetings plus a further 17 on single issues.

S-VENTURES PLC
Report of the Directors
for the Year Ended 30 September 2022

Directors' interests as at 30 September 2022

	Ordinary shares directly held	% Of Issued Share Capital	Warrants at 25p	Options
Scott Livingston	47,749,108	42.6%	1,896,603	-
Robert Hewitt	2,287,756	2.0%	16,670	-
David Mitchell	1,926,959	1.7%	-	-
Alex Phillips	2,746,000	2.4%	-	-
Nick D'Onofrio	2,710,000	2.4%	-	-
Bhanu Choudhrie	-	-	-	-

Number of shares in issue at 30 September 2022	125,571,687
Number in issue at date of this report	132,215,587

Share Options

When the businesses were acquired in the prior year 2,407,928 Share Options that were dependent on sales performance were granted to the vendors of We Love Purely Limited and Ohso Chocolate Limited, exercisable at 9p each; the operational Directors of Ohso Chocolate exercised 537,492 of these options during the year. The remaining 1,870,436 options lapsed during the year.

There are 3 series of warrants exercisable at 4p, 25p and £1 per shares.

	As at 30 Sept 22	Date of this Report
Shares in issue	125,571,687	132,215,587
Warrants for shares	12,410,271	10,766,371
Options based on performance	-	-
Diluted number of shares	137,981,958	142,981,958
Percentage of Warrants and Options in expanded equity	10.54%	8.63%

Shareholder Approval of Directors' Remuneration Report

Shareholders are asked to approve this directors' Remuneration Report for the period ended 30 September 2022 at the forthcoming Annual General Meeting. This resolution is advisory in nature.

S-VENTURES PLC

Report of the Directors for the Year Ended 30 September 2022

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

Introduction:

We are pleased to set out below the Corporate Governance Report for the year ended 30 September 2022. As an AQSE quoted company, we recognise the importance of sound corporate governance in supporting and delivering the strategy of the Company and its subsidiaries (together the "Group"). This involves managing the Group in an efficient manner for the benefit of its shareholders and other stakeholders whilst maintaining a corporate culture which is consistent with our values.

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

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

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

The Development of the Code for S-Ventures

The QCA sets out 10 principles which the Board is working on to expand into an effective document to cover all areas of the Group's business. During 2022 the board reviewed whether the Quoted Companies Alliance (QCA) code remains appropriate to continue following, the substitute that was considered was the UK Corporate Governance Code published by the Financial Reporting Council (FRC). Due to the size of the Company and the prescriptive nature of the UK Corporate Governance Code a decision was made to continue abiding by the QCA code.

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

Set out below are the Group's corporate governance practices for the year ended 30 September 2022.

- 1. Business strategy:** The business model involves seeking out strong brands or products with a clear market message within the wellness sector. To date this has meant focusing of healthy snacks market. Conscious of present trends in plant based foods, the products should be both better for the consumer and also have a better carbon and / or health benefit than competing products. By being in the forefront of these trends, the Board considers that shareholder value will be promoted.
- 2. Shareholder needs:** other than promoting growth and thus shareholder value, we aim to develop ways of communicating effectively with our shareholders to ensure we are developing appropriately. As the group grows this will become more important; for the time being, this is achieved by data on our website, press notices and the full presentation of our Annual accounts.

S-VENTURES PLC

Report of the Directors for the Year Ended 30 September 2022

- 3. Wider responsibilities, such as social responsibility:** With both our existing and new products, our teams are focused on bringing products to market using responsibly sources raw materials and packaging materials.
- 4. Risk Management:** We consider risk management at two levels. Firstly, we ensure that all our products are made to appropriate and up to date food hygiene standards. Secondly, we have implemented reporting and management systems appropriate to a Group of our size at both the operating company level and main board level. We have ensured that the group carries appropriate insurance covers.

Secondly, the main Board has set up committees which include Non-Executive directors for: Investment decisions, Remuneration and Audit. Whilst the Investment Committee sift possible targets, all offers are approved by the full main Board.

- 5. The Board:** The Board members are listed on page 1. The board meets regularly online and in person. During the year there were During the year ended 30 September 2022, there have been 7 Board meetings plus a further 17 on single issues.

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

For the coming year, we have instigated a more rigorous timetable for meetings covering formal main Board meetings, to business reviews of each unit and strategic planning events involving the whole group.

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

6. Board skills:

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

As the group grows, the Board intends to look for a Chief Operating Officer to manage all aspects of the business from manufacturing to selling.

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

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

S-VENTURES PLC

Report of the Directors for the Year Ended 30 September 2022

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

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

The questionnaire mentioned above is anonymised to promote honesty in answering the questions that are being posed to the directors. Oversight and implementation of actions identified from the questionnaire are to be completed by the Company Secretary. Should external insight be required to facilitate this evaluation then this will take place however, in the current financial year this was not deemed necessary.

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

8. **Promote a corporate culture** that is based on ethical values and behaviours

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

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

9. **Maintain governance structures** and processes that are fit for purpose and support good decision-making by the board

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

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

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

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

S-VENTURES PLC

Report of the Directors for the Year Ended 30 September 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group and Company Financial Statements in accordance with UK-adopted international accounting standards and, as regards the Company financial statements, as applied in accordance with the requirements of the Companies Act 2006.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group and the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, PKF Littlejohn LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R Hewitt

R D Hewitt - Director

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Date: 30 June 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S-VENTURES PLC**Opinion**

We have audited the financial statements of S-Ventures Plc (the 'company') for the year ended 30 September 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the Group generated a loss for the year and is continuing to generate losses and will require additional funding in the short to medium term in order to continue to fund the Group's operations and to meet its liabilities as they fall due. Whilst management believe that sufficient funds may be obtained either through the issue of debt or equity the failure to obtain sufficient funding in the timescales necessary may cast significant doubt on the entity's ability to continue as a going concern. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included a review of the cash flow forecasts prepared by management, a review of management's assessment of going concern and post year end information impacting going concern.

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

Report of the Independent Auditors to the Members of S-Ventures PLC

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatements, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriate level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

We determined materiality for the group to be £136,000 (2021: £63,400), with performance materiality of £107,870 (2021: £38,000). We agreed with the Board that we would report all audit differences in excess of £7,700 (2021: £3,170), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Materiality was determined on the basis of 7.5% (2021: 7.5%) of the group's loss before tax, which we believe to be of particular relevance to the shareholders.

Whilst materiality for the group financial statements as a whole was set at £136,000, materiality of the parent company was £135,000 (2021: £45,000) and for significant components was set at a range between £100,000 and £45,000 (2021: £45,000 and £18,500). Performance materiality at 70% (2021: 60%) was set at £94,500 (2021: £27,000) and for the significant components at a range between £27,000 and £11,100. We agreed with the Board that we would report all audit differences in excess of £6,800 (2021: £3,100) for the group and £6,750 (2021: £2,250), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Materiality for the parent company was determined on the basis of 99% of group overall materiality.

Our approach to the audit

The group includes the listed Parent company and its subsidiaries. We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the Company, the accounting processes, and the industry in which they operate. We have audited all significant components from the dates of each acquisition until the year end.

As part of our planning, we assessed the risk of material misstatement including those that required significant auditor consideration at the component and group level. In particular, we looked at areas of estimation, for example in respect of the valuation of inventory, the carrying value of goodwill and intangibles, the carrying value and recoverability of investments in subsidiaries at parent company level and the consideration of future events that are inherently uncertain. Procedures were then performed to address the risk identified and for the most significant assessed risks of misstatement, the procedures performed are outlined below in the key audit matters section of this report. We re-assessed the risks throughout the audit process and concluded the scope remained the same as at planning.

An audit was performed on the financial information of the group's significant operating components which, for the year ended 30 September 2022, were located in the United Kingdom. The audit of significant components was performed in London solely by PKF Littlejohn LLP using a team with experience of auditing manufacturing and publicly listed entities.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
<p>Carrying value of investment in subsidiaries and intra-group receivables (Parent Company) (note 18)</p>	
<p>The carrying value of the Parent Company's investment in subsidiaries in intra-group receivables is material at the year end.</p> <p>The recoverability of these balances is ultimately dependent on the subsidiaries being able to generate returns from their underlying assets in order to settle the receivables. The recoverability and valuation of these amounts is therefore a risk as they might be impaired.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Confirmation of ownership. • Obtaining management's impairment assessment for all investments and specifically challenging the assumptions made to third party evidence and our understanding of the business. • Reviewing the value of the net investment and intra-group receivables in subsidiaries against the underlying assets and challenging the judgements/estimates used by management to assess the recoverability of investments and intra-group receivables. • Reviewing the latest subsidiary financial information to confirm the period-end financial position and performance against budgets and forecasts. • Analysing subsequent events in support of the budgets to determine reliability of management's budgeting process. • Considering the appropriateness of disclosure included in the financial statements. <p>We note that the recoverability of the Company' investments relies on the Directors' assertion that operations within the subsidiaries will become more profitable once group synergies have been enacted.</p>
<p>Inventory Valuation (Group) (as disclosed in note 19)</p>	
<p>Inventory represents a material balance within the financial statements (£1.64m at 30 September 2022).</p> <p>There is also a risk that that stock is not valued at the lower of cost and NRV. There is also a risk that the inventory does not exist at year end and inventory is therefore misstated in the financial statements..</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Attending subsidiaries' stocktakes to gain comfort over the existence of the inventory and the recording of stock quantities is complete. • Following up the stocktake attendance by confirming that counted items are correctly included on the final stock sheets and that any discrepancies arising are resolved. • For a sample of stock items, testing the valuation of finished goods against post period end selling prices to confirm that the net realisable value is greater than cost.

	<ul style="list-style-type: none"> • For a sample of raw materials, testing stock items to purchase invoices to ensure that stock is recorded at the appropriate costs. • Tracing the allocation of overheads costs to finished goods by agreeing the elements of the calculation to the appropriate accounting records such as labour costs. • Considering the appropriateness of disclosure included in the financial statements.
<p>Acquisition of Subsidiaries (Group) (as disclosed in notes 14)</p>	
<p>The parent entity has acquired a number of subsidiaries during the year.</p> <p>There is a risk that the accounting treatment applied by management is not in accordance with the criteria of IFRS 3.</p> <p>There is a risk that the consideration payable is not conducted on an arm's length basis, and thus either generating a higher goodwill balance or a significant bargain purchase recognised in the profit or loss account.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Reviewing the sale and purchase agreements for investments purchased during the period. • Agreeing the level of consideration to supporting documentation, including the valuation of any deferred or contingent consideration. • Reviewing management's accounting treatment and policy applied for each acquisition to ensure it is in accordance with IFRS. • Reviewing calculations of goodwill / intangible assets identified on the acquisition of subsidiaries and ensuring recognition is in accordance with IFRS. • Reviewing and critically assessing management impairment assessment for the goodwill and intangible fixed assets arising from the acquisition. • Considering the appropriateness of disclosure included in the financial statements.
<p>Carrying value of goodwill and intangibles (Group) (note 15)</p>	
<p>The Group carries a material amount of goodwill relating to the subsidiary undertakings acquired in 2021, Pulsin Limited, OHSO Chocolate Limited and We Love Purely Limited. Within 12 months of acquisition, Management are required under IFRS 3 to conduct a purchase price allocation to allocate the goodwill, where applicable, to separately identifiable intangible assets and to finalise their assessment of the fair value of assets and liabilities acquired. Both areas require management judgement and estimation.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Obtaining management's PPA allocation assessment and reviewing the relating valuation methods for reasonableness. • Involving the PKF valuations team who performed reviews of the valuations performed by management's expert. • Assessing the experts' competence and independence and reviewing the conclusions for reasonableness. • Ensuring that the results from this exercise, the methods employed and the key estimates made have been

<p>Provisional fair values were used to value the assets and liabilities acquired and assumed in business combination as at 30 September 2021. The provisional fair values were finalised in the 2022 reporting period.</p> <p>An impairment review is to be performed by management on goodwill arising from acquisition of the subsidiary. Such an assessment is expected to be performed using actual results to budget, cashflow forecasts as well as using post year-end trading as an indicator for performance or events that can impact the results of the subsidiary.</p> <p>Given the significant judgements and estimates involved to determine the final fair values this is considered a key audit matter.</p>	<p>adequately disclosed in accordance with IFRS 3 and 13.</p>
<p>Revenue recognition (note 3)</p>	
<p>Under ISA (UK) 240 there is a rebuttable presumption that revenue recognition is a fraud risk.</p> <p>There is a risk around the occurrence and cut-off of revenues. Management are in a position to manipulate revenues and may do so to inflate profits and improve their position. This is especially so as the group is listed and is reliant on external funding. Given the above, this is considered a key audit matter</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Updating our understanding of the internal control environment in operation for the material income streams and undertaking a walk-through to ensure that the key controls within these systems have been operating in the period under audit. • A review of the revenue recognition policy in line with IFRS 15 requirements. • Substantive transactional testing of income recognised in the financial statements. • A review of a sample of revenue recorded on either side of the year to ensure cut-off is correct. • A review of post year end credit notes for evidence of occurrence of revenue in the period and that cut off is appropriate. • Ensure revenue recorded within the group accounts is complete and accurate from the date of acquisition of each subsidiary. • Ensuring disclosures in the financial statements are appropriate.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.

- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, UK Corporate Governance Code, UK Employment Rules, UK Tax Legislation, and The Food Standards Agency (FSA).
 - We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
 - Making enquiries of management;
 - A review of Board minutes;
 - A review of legal ledger accounts; and
 - A review of RNS announcements.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates, judgement and assumptions for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. In this context we view the significant estimates as being the key assumptions underlying the valuation of investments.
- We considered the above procedures at group as well as component levels.

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

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

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 in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Daniel Hutson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

30 June 2023

S-VENTURES PLC

Consolidated Statement of Profit or Loss
for the Year Ended 30 September 2022

	Notes	Year Ended 30.9.22 £	Period 6.7.20 to 30.9.21 £
CONTINUING OPERATIONS			
Revenue	3	7,800,626	1,525,810
Cost of sales		<u>(5,266,715)</u>	<u>(1,104,952)</u>
GROSS PROFIT		2,533,911	420,858
Other operating income	4	48,290	31,376
Gain on settlement of loan notes	6	645,064	-
Distribution costs		(315,906)	(158,962)
Impairment of goodwill	15	(569,176)	-
Administrative expenses		(5,520,477)	(1,259,905)
Finance costs	7	(94,356)	(54,720)
Finance income	7	15,529	16,499
Share of loss of associates		<u>-</u>	<u>(600)</u>
LOSS BEFORE TAX	8	(3,257,121)	(1,005,454)
Income tax	10	<u>(198,913)</u>	<u>156,079</u>
LOSS FOR THE YEAR		<u>(3,456,034)</u>	<u>(849,375)</u>
Loss attributable to:			
Owners of the parent		(3,322,613)	(784,896)
Non-controlling interests		<u>(133,421)</u>	<u>(64,479)</u>
		<u>(3,456,034)</u>	<u>(849,375)</u>
Loss per share expressed in pence per share:			
Basic	12	<u>(2.92)</u>	<u>(0.76)</u>

S-VENTURES PLC

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 30 September 2022**

	Year Ended 30.9.22 £	Period 6.7.20 to 30.9.21 £
LOSS FOR THE YEAR	(3,456,034)	(849,375)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(3,456,034)</u>	<u>(849,375)</u>
Total comprehensive income attributable to:		
Owners of the parent	(3,322,613)	(784,895)
Non-controlling interests	<u>(133,421)</u>	<u>(64,480)</u>
	<u>(3,456,034)</u>	<u>(849,375)</u>

S-VENTURES PLC (REGISTERED NUMBER: 12723377)

**Consolidated Statement of Financial Position
30 September 2022**

		30.9.22	As restated 30.9.21
	Notes	£	£
ASSETS			
NON-CURRENT ASSETS			
Goodwill	15	3,897,628	6,657,772
Owned			
Intangible assets	16	2,989,722	54,381
Property, plant and equipment	17	2,027,170	1,219,583
Right-of-use			
Property, plant and equipment	17, 26	1,418,576	1,693,925
Investments	18	30,238	30,238
Deferred tax	27	-	198,913
		<u>10,363,334</u>	<u>9,827,606</u>
CURRENT ASSETS			
Inventories	19	1,647,121	1,219,876
Trade and other receivables	20	2,599,044	2,122,044
Tax receivable		-	27,228
Cash and cash equivalents	21	1,781,921	154,697
		<u>6,028,086</u>	<u>3,523,845</u>
TOTAL ASSETS		<u><u>16,391,420</u></u>	<u><u>13,351,451</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	22	125,572	111,378
Share premium	23	13,509,382	6,490,205
Share based payment reserve	23	10,997	40,024
Equity component of			
Convertible debt	23	-	2,057,528
Contingent equity settled			
Consideration for investment	23	112,131	34,484
Retained deficit	23	<u>(4,227,855)</u>	<u>(784,896)</u>
		9,530,227	7,948,723
Non-controlling interests		<u>(34,448)</u>	<u>(76,810)</u>
TOTAL EQUITY		<u><u>9,495,779</u></u>	<u><u>7,871,913</u></u>

S-VENTURES PLC (REGISTERED NUMBER: 12723377)

Consolidated Statement of Financial Position - continued
30 September 2022

	Notes	30.9.22 £	As restated 30.9.21 £
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	25	<u>1,877,929</u>	<u>2,321,945</u>
CURRENT LIABILITIES			
Trade and other payables	24	3,262,239	1,979,226
Financial liabilities - borrowings			
Bank overdrafts	25	276,079	260,769
Interest bearing loans and borrowings	25	1,156,258	537,277
Tax payable	10	<u>323,136</u>	<u>407,527</u>
		<u>5,017,712</u>	<u>3,184,799</u>
TOTAL LIABILITIES		<u>6,895,641</u>	<u>5,506,744</u>
TOTAL EQUITY AND LIABILITIES		<u>16,391,420</u>	<u>13,378,657</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2023 and were signed on its behalf by:

R Hewitt

.....
R D Hewitt - Director

S-VENTURES PLC (REGISTERED NUMBER: 12723377)

**Company Statement of Financial Position
30 September 2022**

		30.9.22	As restated 30.9.21
	Notes	£	£
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	17	22,013	4,430
Right-of-use			
Investments	18	8,403,230	7,424,032
Deferred tax	27	-	56,367
		<u>8,425,243</u>	<u>7,484,829</u>
CURRENT ASSETS			
Trade and other receivables	20	3,064,181	956,183
Cash and cash equivalents	21	1,722,943	107,586
		<u>4,787,124</u>	<u>1,063,769</u>
TOTAL ASSETS		<u><u>13,212,367</u></u>	<u><u>8,548,598</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	22	125,572	111,378
Share premium	22	13,509,382	6,490,205
Share based payment reserve	23	10,997	40,024
Equity component of			
Convertible debt	23	-	2,057,528
Contingent equity settled			
Consideration for investment	23	112,131	34,484
Retained deficit	23	<u>(1,819,029)</u>	<u>(498,419)</u>
TOTAL EQUITY		<u>11,939,053</u>	<u>8,235,200</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	24	<u>1,273,314</u>	<u>313,398</u>
TOTAL LIABILITIES		<u>1,273,314</u>	<u>313,398</u>
TOTAL EQUITY AND LIABILITIES		<u><u>13,212,367</u></u>	<u><u>8,548,598</u></u>

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company profit and loss account. The Parent Company loss for the year was £1,349,637 (period to 30 September 2021: loss of £498,419).

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2023 and were signed on its behalf by:

R Hewitt

.....
RD Hewitt - Director

S-VENTURES PLC

Consolidated Statement of Changes in Equity
for the Year Ended 30 September 2022

	Called up share capital £	Retained deficit £	Share premium £	Share based reserve £	Equity component of debt £
Changes in equity					
Issue of share capital	111,378	-	6,107,386	-	-
Total comprehensive loss	-	(784,896)	-	-	-
Share options issued	-	-	-	15,024	-
Share warrants issued	-	-	-	25,000	-
Equity component of Convertible debt issued	-	-	-	-	2,057,528
Acquisition of non-controlling interest	-	-	-	-	-
Balance at 30 September 2021 (as previously stated)	111,378	(784,896)	6,107,386	40,024	2,057,528
Prior year adjustment (note 33)	-	-	382,819	-	-
At 30 September 2021 (as restated)	111,378	(784,896)	6,490,205	40,024	2,057,528
Changes in equity					
Total comprehensive loss	-	(3,322,613)	-	-	-
Issue of share capital for cash	7,143	-	4,992,833	-	-
Share warrants exercised	1,250	14,003	23,750	(14,003)	-
Share options exercised	537	15,024	47,861	(15,024)	-
Shares issued in consideration for acquisition	5,108	-	1,904,889	-	-
Shares issued for services	156	-	49,844	-	-
Equity consideration for step acquisition of non-controlling interest	-	(149,374)	-	-	-
Shares issued in settlement of Convertible loans	-	-	-	-	(1,012,464)
Cash settlement of convertible loans	-	-	-	-	(400,000)
Gain on settlement of convertible loans	-	-	-	-	(645,064)
Balance at 30 September 2022	125,572	(4,227,855)	13,509,382	10,997	-

See note 22 for a breakdown of share capital and share premium transactions.

S-VENTURES PLC

Consolidated Statement of Changes in Equity - continued
for the Year Ended 30 September 2022

	Contingent equity settled consideration for investment	Total	Non- controlling Interest	Total Equity
	£	£	£	£
Changes in equity				
Issue of share capital	-	6,218,764	-	6,218,764
Total comprehensive loss	-	(784,896)	(64,480)	(849,376)
Share options issued	-	15,024	-	15,024
Share warrants issued	-	25,000	-	25,000
Equity component of convertible debt issued	-	2,057,528	-	2,057,528
Contingent equity settled	34,484	34,484	-	34,484
Consideration for subsidiary Acquisition of non-controlling interest	-	-	(12,330)	(12,330)
At 30 September 2021 (as previously stated)	34,484	7,565,904	(76,810)	7,489,094
Prior year adjustment (note 33)	-	382,819	-	382,819
At 30 September 2021 (as restated)	34,484	7,948,723	(76,810)	7,871,913
Changes in equity				
Total comprehensive loss	-	(3,322,613)	(133,421)	(3,456,034)
Issue of share capital for cash	-	4,999,976	-	4,999,976
Share warrants exercised	-	25,000	-	25,000
Share options exercised	-	48,399	-	48,399
Share issued in consideration for acquisition	-	1,909,997	-	1,909,997
Shares issued for services	-	50,000	-	50,000
Equity consideration for step acquisition of non-controlling interest	-	(149,374)	149,374	-
Reduction in non-controlling interest from step acquisition	-	-	(49,446)	(49,446)
Shares issued in settlement of convertible loans	-	(1,012,464)	-	(1,012,464)
Cash settlement of convertible loans	-	(400,000)	-	(400,000)
Gain on settlement of convertible loans	-	(645,064)	-	(645,064)
Contingent equity-settled Consideration for subsidiary	112,131	112,131	-	112,131
Reversal of contingent consideration due to settlement agreement	(34,484)	(34,484)	-	(34,484)
Price Allocation adjustment to non-controlling interests proportion of net assets	-	-	75,855	75,855
Balance at 30 September 2022	112,131	9,530,227	(34,448)	9,495,779

S-VENTURES PLC

**Company Statement of Changes in Equity
for the Year Ended 30 September 2022**

	Called up share capital £	Retained deficit £	Share premium £
Changes in equity			
Issue of share capital	111,378	-	6,107,386
Total comprehensive income	-	<u>(498,419)</u>	-
At 30 September 2021 (as previously stated)	<u>111,378</u>	<u>(498,419)</u>	<u>6,107,386</u>
Prior year adjustment	-	-	382,819
At 30 September 2021 (as restated)	<u>111,378</u>	<u>(498,419)</u>	<u>6,490,205</u>
Changes in equity			
Issue of share capital for cash	7,143	-	4,992,883
Share warrants exercised	1,250	14,003	23,750
Share options exercised	537	15,024	47,861
Shares issued in consideration for acquisition	5,107	-	1,904,890
Shares issued for services	157	-	49,793
Total comprehensive income	-	<u>(1,349,637)</u>	-
Balance at 30 September 2022	<u>125,572</u>	<u>(1,819,029)</u>	<u>13,509,382</u>

S-VENTURES PLC

Company Statement of Changes in Equity (continued)
for the Year Ended 30 September 2022

	Share based reserve £	Equity component of convertible debt £	Contingent equity settled consideration for investment £	Total equity £
Changes in equity				
Issue of share capital	-	-	-	6,218,764
Total comprehensive income	-	-	-	(498,419)
Share options issued	15,024	-	-	15,024
Share warrants issued	25,000	-	-	25,000
Equity component of Convertible debt issued	-	2,057,528	-	2,057,528
Contingent equity-settled Consideration for subsidiary	-	-	34,484	34,484
At 30 September 2021 (as previously stated)	<u>40,024</u>	<u>2,057,528</u>	<u>34,484</u>	<u>7,852,381</u>
Prior year adjustment				382,819
At 30 September 2021 (as restated)	<u>40,024</u>	<u>2,057,528</u>	<u>34,484</u>	<u>8,235,200</u>
Changes in equity				
Issue of share capital for cash	-	-	-	4,999,976
Total comprehensive income	-	-	-	(1,349,637)
Share warrants exercised	(14,003)	-	-	25,000
Share options exercised and expired	(15,024)	-	-	48,398
Shares issued in settlement of convertible loans	-	(1,012,464)	-	(1,012,464)
Cash settlement of convertible loans	-	(400,000)	-	(400,000)
Gain on settlement of convertible loans	-	(645,064)	-	(645,064)
Contingent consideration reversed due to settlement agreement	-	-	(34,484)	(34,484)
Shares issued in consideration for acquisition	-	-	-	1,909,997
Shares issued for services	-	-	-	50,000
Contingent equity consideration for subsidiary acquisition	-	-	112,131	112,131
Balance at 30 September 2022	<u>10,997</u>	<u>-</u>	<u>112,131</u>	<u>11,939,053</u>

S-VENTURES PLC

**Consolidated Statement of Cash Flows
for the Year Ended 30 September 2022**

		Year Ended 30.9.22 £	Period 6.7.20 to 30.9.21 £
Cash flows from operating activities			
Cash generated from operations	1	(2,392,941)	(1,279,446)
Tax paid		(126,059)	-
Interest paid		(73,266)	(3551)
Lease interest paid		(40,956)	(16,698)
		<hr/>	<hr/>
Net cash from operating activities		<u>(2,633,222)</u>	<u>(1,299,695)</u>
 Cash flows from investing activities			
Acquisition of subsidiary undertakings		(100,001)	(2,349,131)
Purchase of intangible fixed assets		-	(5,510)
Purchase of tangible fixed assets		(366,188)	(110,960)
Purchase of fixed asset investments		-	(30,838)
Interest received		13,753	14,664
		<hr/>	<hr/>
Net cash from investing activities		<u>(453,436)</u>	<u>(2,479,856)</u>
 Cash flows from financing activities			
Payment of lease liabilities		(308,992)	135,445
Bank loan		(237,445)	(62,835)
Amount introduced/(withdrawn) by directors		171,635	(44,879)
Share issue		5,073,374	6,218,764
		<hr/>	<hr/>
Net cash from financing activities		<u>4,698,572</u>	<u>3,673,479</u>
Increase/(decrease) in cash and cash equivalents		1,611,914	(106,072)
Cash and cash equivalents at beginning of year	2	(106,072)	-
		<hr/>	<hr/>
Cash and cash equivalents at end of year	2	<u>1,505,842</u>	<u>(106,072)</u>

S-VENTURES PLC

**Company Statement of Cash Flows
for the Year Ended 30 September 2022**

		Year Ended 30.9.22 £	Period 6.7.20 to 30.9.21 £
Cash flows from operating activities			
Cash generated from operations	1	(3,523,554)	(1,107,591)
Interest paid		-	(29,445)
		<u>(3,523,554)</u>	<u>(1,137,036)</u>
Net cash from operating activities			
Cash flows from investing activities			
Purchase of tangible fixed assets		(21,546)	(5,201)
Purchase of fixed asset investments		(100,001)	(2,410,669)
Interest received		15,530	14,664
		<u>(106,017)</u>	<u>(2,401,206)</u>
Net cash from investing activities			
Cash flows from financing activities			
Share issue		5,073,374	3,645,748
Net amount introduced by directors		171,635	-
		<u>5,245,009</u>	<u>3,645,748</u>
Net cash from financing activities			
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	107,506	-
		<u>1,615,437</u>	<u>107,506</u>
Cash and cash equivalents at end of year	2	<u>1,722,943</u>	<u>107,506</u>

S-VENTURES PLC

Notes to the Statements of Cash Flows
for the Year Ended 30 September 2022

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

Group	Year Ended 30.9.22 £	Period 6.7.20 to 30.9.21 £
Loss before income tax	(3,257,121)	(1,005,454)
Amortisation charges	326,080	
Depreciation charges	611,285	86,334
Profit on disposal of fixed assets	(2,699)	(3,432)
Gain on settlement of loan notes	(645,064)	-
Impairment of goodwill	569,175	-
Share based payments	-	40,024
Loans written off	-	32,424
Finance costs	94,356	25,276
Finance income	<u>(15,529)</u>	<u>(16,499)</u>
	(2,319,517)	(841,327)
Share of loss of associates	-	600
Increase in inventories	(636,993)	(32,301)
Increase in trade and other receivables	(98,941)	(771,521)
Increase in trade and other payables	<u>662,510</u>	<u>365,103</u>
Cash generated from operations	<u>(2,392,941)</u>	<u>(1,279,446)</u>
Company		
	Year Ended 30.9.22 £	Period 6.7.20 to 30.9.21 £
Loss before income tax	(1,245,179)	(554,786)
Depreciation charges	3,963	771
Impairment of subsidiary investment	304,605	-
Gain on settlement of loan notes	(645,064)	-
Share based payments	-	40,024
Finance costs	(29,443)	29,445
Finance income	<u>(15,530)</u>	<u>(15,638)</u>
	(1,626,648)	(500,184)
Increase in trade and other receivables	(2,221,133)	(812,734)
Increase in trade and other payables	<u>324,227</u>	<u>205,327</u>
Cash expended from operations	<u>(3,523,554)</u>	<u>(1,107,591)</u>

S-VENTURES PLC

**Notes to the Statements of Cash Flows
for the Year Ended 30 September 2022**

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statements of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	Group		Company	
Year ended 30 September 2022	30.9.22	1.10.21	30.9.22	1.10.21
	£	£	£	£
Cash and cash equivalents	1,781,921	154,697	1,722,943	107,586
Bank overdrafts	<u>(276,079)</u>	<u>(260,769)</u>	<u>-</u>	<u>-</u>
	<u>1,505,842</u>	<u>(106,072)</u>	<u>1,722,943</u>	<u>107,586</u>
Period ended 30 September 2021	30.9.21	6.7.20	30.9.21	6.7.20
	£	£	£	£
Cash and cash equivalents	154,697	-	107,586	-
Bank overdrafts	<u>(260,769)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(106,072)</u>	<u>-</u>	<u>107,586</u>	<u>-</u>

3. MAJOR NON-CASH TRANSACTIONS

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

01/11/2021	Shares issued for consultancy services	50,000
17/02/2022	For trade and asset purchase	225,000
11/04/2022	Market Rocket Ltd Acquisition	672,783
13/06/2022	Convertible loan notes settlement	1,012,214

S-VENTURES PLC

Notes to the Consolidated Financial Statements for the Year Ended 30 September 2022

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparation

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

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

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

New standards and interpretations not yet adopted

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

Title of Standard or Interpretation	Effective for accounting periods beginning on or after
Amendments to IFRS 3 References to the Conceptual Framework	1 January 2022
Amendments to IAS 16 Proceeds before intended use	1 January 2022
Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)	1 January 2022
Amendments to IAS 1 Presentation of financial statements and IFRS practice	1 January 2023
Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IFRS 17 Insurance contracts	1 January 2023
Amendments to IAS 8 Accounting policies and accounting estimates	1 January 2023

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

S-VENTURES PLC

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

2. ACCOUNTING POLICIES - continued

Going concern

As disclosed by the Consolidated Statement of Profit and Loss, the group has managed to grow its net sales to £7.8m but sustained losses of £2.7 m. Part of that loss is attributable to implementing a full Purchase Price Allocation review resulting in additional amortisation charges of £0.3m and a significant sum £0.7m relates to the impairment of the Lizza assets and impairment of goodwill of £0.5m.

The directors have plans to further streamline group operations across the group, to increase productivity and save costs and there is expected to be a significant growth in group turnover following an acquisition of a profitable subsidiary undertaking after the balance sheet date.

After the balance sheet date the acquisition of the subsidiary company Lizza GmbH has been a significant drain on the group's cash flow. On 8 April 2023, Lizza GmbH was put into liquidation to halt this. The debtor at the balance sheet date of £136k has been impaired in full. The company is currently owed circa £855k from Lizza GmbH and it is uncertain as to how much of this (if any) will be recovered following the liquidation process.

The directors recognise that additional capital is required to ensure that the company can continue to discharge its liabilities as they fall due and have concluded that the funding requirements represents a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern. However, the directors are presently engaged in discussions with a number of parties which they believe will conclude successfully when these accounts are issued. In the interim a director has made a loan facility available to the group of £0.5 million to ensure the company can meet its liabilities as they fall due.

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

Basis of consolidation

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

The consolidated financial statements present the results of the company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. All subsidiaries have a reporting date of 30 September.

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

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

S-VENTURES PLC

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

2. ACCOUNTING POLICIES - continued

Business combinations

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

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

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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

Associates

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

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

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

S-VENTURES PLC

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

2. ACCOUNTING POLICIES – continued

Revenue recognition

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

Performance obligations and timing of revenue recognition:

Goods

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

Determining the contract price:

The Group revenue is derived from:

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

Allocating amounts to performance obligations:

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

Services

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

Cash and cash equivalents

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

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

Goodwill

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

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

S-VENTURES PLC

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

2. ACCOUNTING POLICIES - continued

Intangible assets

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

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

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

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

Property, plant and equipment

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

Leasehold additions	-	Over remaining lease term
Plant and machinery	-	25% and 10% on cost
Fixtures and fittings	-	20% on cost, and 15% on cost
Computer equipment	-	33% on cost and 25% on cost

Financial assets

Financial assets, which include 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. Financial assets classified as receivable within one year are not amortised.

A loss allowance for expected credit losses is considered for all financial assets. The bad debts for the group are low, so there is no general loss allowance. Specific receivables are reviewed and provided for in full where it is considered that there is a low prospect of recovery.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

S-VENTURES PLC

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

2. ACCOUNTING POLICIES - continued

Financial liabilities

Financial liabilities, including trade and other payables, bank loans, loans from fellow group companies are initially recognised at transaction price 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method

Compound instruments and borrowings

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

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

Inventories

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

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

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

Research and development

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

Foreign currencies

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

Employee benefit costs

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

S-VENTURES PLC

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

2. ACCOUNTING POLICIES - continued

Taxation

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

Current tax

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

Deferred tax

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

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

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

Leases

The Group recognises lease liabilities in relation to leases other than leases of low-value assets and short-term leases (shorter than twelve months). The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

Government grants

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

Investments (company accounting policy)

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

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

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Identified intangible assets

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

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

Carrying value of goodwill

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

Right of use assets

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

Contingent consideration

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. The determination of fair value is based on key assumptions including estimation of the level of sales compared to the performance target. Judgement is also applied in relation to the discount rate used for deferred consideration.

Share based payments

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

Impairment of investments and recoverability of loans to subsidiary undertakings

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

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2022**

3. REVENUE

Segmental reporting

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

The Parent company Administration, includes activities of raising finance and seeking new investment opportunities, all based in the UK.

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

Plant based nutrition (undertaken by Pulsin Limited, Ohso Chocolate Limited and We Love Purely Limited)

Bakery (undertaken by Lizza GmbH, a subsidiary acquired in the current year)

Technical services (undertaken by Market Rocket Limited, a subsidiary acquired in the current year)

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

	<i>Plant Based Nutrition</i>	<i>Bakery</i>	<i>Technical services</i>	<i>Admini- stration</i>	Segment totals	Consolidation Adjustments	Total
Revenue	7,253,527	103,546	439,052	4,500	7,800,626	-	7,800,626
Operating profit (loss) before tax	(1,963,147)	(209,879)	61,537	(1,293,269)	(3,404,759)	147,638	(3,257,121)
Segment total assets (net of investments in subsidiaries)	6,227,013	2,709,388	256,202	2,208,267	11,400,870	4,990,550	16,391,420
Segment liabilities	4,762,927	2,783,244	111,346	1,273,314	8,930,832	(2,035,192)	6,895,641

The segmental information for the prior period ended 30 September 2021 is shown below:

	<i>Pulsin Limited</i>	<i>Ohso Chocolate Limited</i>	<i>We Love Purely Limited</i>	<i>Total classed as Plant Based Nutrition from 2022</i>	<i>Corporate and Administrative</i>	Total
Revenue	1,128,258	168,193	217,825	1,525,810	11,535	1,525,810
Operating profit (loss) before tax	(130,285)	(198,278)	(121,503)	(1,004,853)	(554,786)	(1,004,853)
Segment total assets (net of investments in subsidiaries)	4,799,576	352,729	227,192	6,720,885	283,639	6,720,885
Segment liabilities	(4,799,576)	(352,729)	(70,800)	(5,506,744)	(283,639)	(5,506,744)

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2022**

4. OTHER OPERATING INCOME

	Year Ended 30.9.22 £	Period 6.7.20 to 30.9.21 £
Miscellaneous income	48,290	-
Local Council Grants	-	18,251
CJRS Grants	-	2,046
Business Interruption Grant	-	5,215
Work Placement Grant	-	5,864
	48,290	31,376
	48,290	31,376

In the prior year, the group applied for various government support grants introduced in response to the Covid-19 pandemic. The Group has elected to present this government grant separately, rather than reducing the related expense.

The Group does not have any unfulfilled obligations relating to these grants.

5. EMPLOYEES AND DIRECTORS

	Year Ended 30.9.22 £	Period 6.7.20 to 30.9.21 £
Wages and salaries	2,638,537	503,575
Social security costs	234,401	40,952
Other pension costs	34,975	6,853
	2,907,913	551,380
	2,907,913	551,380

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

	Year Ended 30.9.22	Period 6.7.20 to 30.9.21
Average number of employees	76	63
	76	63

	Year Ended 30.9.22 £	Period 6.7.20 to 30.9.21 £
Directors' remuneration	252,226	181,158
	252,226	181,158
	252,226	181,158

S-VENTURES PLC

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

6. EXCEPTIONAL ITEMS

During the year company entered into a settlement deed which included a combination of cash and share settlement that was less than the value of the loan convertible notes resulting in a gain on settlement of the convertible loans of £645,064 shown in the consolidated statement of profit and loss statement.

7. NET FINANCE COSTS

	Year Ended 30.9.22	Period 6.7.20 to 30.9.21
	£	£
Finance Income:		
Deposit account interest	14,641	14,664
Interest on directors loan account	888	1,835
	<u>15,529</u>	<u>16,499</u>
Finance Costs:		
Bank loan interest	6,482	3,551
Other loan interest	(19,867)	34,471
Hire purchase	66,785	12,785
Leasing	40,956	3,913
	<u>94,356</u>	<u>54,720</u>
Net finance costs	<u>78,827</u>	<u>38,221</u>

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2022**

8. LOSS BEFORE INCOME TAX

The loss before income tax of £3,257,121 is stated after charging/ (crediting):

	Year Ended	Period
	30.9.22	6.7.20
	to	30.9.21
	£	£
Cost of inventories recognised as expense	5,218,242	1,104,952
Depreciation - owned assets	319,263	69,416
Depreciation - assets on hire purchase contracts	275,349	13,434
Amortisation of intangible assets	314,678	-
Foreign exchange differences	<u>29,416</u>	<u>6,020</u>

9. AUDITORS' REMUNERATION

	Year Ended	Period 6.7.20
	30.9.22	to 30.9.21
	£	£
Fees payable to the Group's auditor in relation to the audit of the consolidated financial statements	132,250	50,000
Fees payable to the Group's auditor for other advisory services	-	69,827
Total Fees	<u>132,250</u>	<u>119,827</u>

S-VENTURES PLC

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

10. INCOME TAX

	Year ended 30.9.22	6.7.20 to 30.9.21
	£	£
Current year tax credit		
Corporation income tax	-	(7,608)
Deferred tax movement	<u>198,913</u>	<u>(148,471)</u>
Total credit	<u>198,913</u>	<u>(156,079)</u>

The charge for the year can be reconciled to the profit before tax as follows:

Loss before tax	(3,257,121)	(1,005,454)
Loss before Tax Calculated at the UK Standard of tax at 19%	(618,853)	(191,036)
Tax effects of:		
Expenses not deductible for tax	100,238	47,929
Research and development enhanced deduction	(60,739)	(5,635)
Gain on settlement of convertible loan notes	(645,064)	-
Consolidation adjustments not deductible for tax:		
Goodwill impairment	569,175	-
Amortisation of intangible assets recognised on business combination	312,100	-
Depreciation of fixed assets revalued on business combination	74,100	-
Revaluation of stock on business combinations	(85,309)	-
Deferred tax asset not provided for	<u>354,352</u>	<u>-</u>
	-	(148,471)
Deferred tax assets written back from prior year (note 27)	198,913	-
Research and development income tax credit	<u>-</u>	<u>(7,608)</u>
Total tax charge for the year	<u>198,913</u>	<u>(156,079)</u>

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

11. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £ (1,349,637) (2021 - £(498,419)).

S-VENTURES PLC

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

12. LOSS PER SHARE

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

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

Calculations for basic LPS are set out below.

	Earnings £	30.9.22 Weighted average number of shares	Per-share amount pence
Basic LPS			
Loss attributable to ordinary shareholders	<u>(3,456,034)</u>	<u>118,179,305</u>	<u>(2.92)</u>
Warrants for shares		12,410,271	
Weighted average diluted number of shares		<u>130,589,576</u>	
	Earnings £	30.9.21 Weighted average number of shares	Per-share amount pence
Basic LPS			
Loss attributable to ordinary shareholders	<u>(849,375)</u>	<u>111,377,946</u>	<u>(0.76)</u>
Warrants for shares		3,987,800	
Options based on performance		2,407,528	
Weighted average diluted number of shares		<u>117,773,274</u>	

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2022**

13. SUBSIDIARIES

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

Subsidiary	% owned	Date of acquisition	Nature of business
We Love Purely Limited*	85.1%	22 January 2021	Plantain flavoured crisps
Ohso Chocolate Limited*	100%	16 February 2021	
Pulsin Limited	100%	23 July 2021	Probiotic chocolate
Pulsin BV	100%	23 July 2021	Plant based foods
			Holding company (owns 100% of Lizza Gmbh)
<i>Acquired during the year:</i>			
Market Rocket Limited	100%	8 April 2022	Marketing
Lizza Gmbh	100%	29 August 2022	Bakery

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

Step Acquisitions*

During the year the parent company acquired an additional 24.9% shareholding in Ohso Chocolate Limited and a further 10% in We Love Purely Limited increasing the shareholding to 100% (Ohso) and 85.1% (We Love Purely) from 75.1% in the prior year:

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2022**

14. PURCHASE PRICE ALLOCATION

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

	Market Rocket Limited	Lizza GmbH
	£	£
Total consideration		
Cash	100,000	1
Shares issued at market value	672,783	
Deferred consideration - cash	349,702	
Contingent consideration - shares	112,131	
Total consideration	1,234,616	1
Recognised amounts of assets and liabilities acquired		
Cash and cash equivalents	83,642	6,763
Trade and other receivables	46,495	146,029
Inventories	-	355,813
Intangible assets recognised on business combination	430,000	-
Property, plant & equipment	21,220	-
Tax liabilities/asset	(14,538)	-
Trade and other payables	(72,779)	(113,798)
Borrowings	-	(650,064)
Total identifiable net assets	494,040	(255,258)
Minority interest %	0%	0%
Net assets attributable to parent company	494,040	(255,258)
Goodwill	740,576	255,259
Total consideration	1,234,616	1

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

Market Rocket Limited

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

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

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

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2022**

Lizza Gmbh

As referred to in note 30, Lizza Gmbh has been put into formal German insolvency proceedings in April 2023, which was just 7 months after the date of acquisition. The assets were therefore reviewed for impairment in determining the fair values at acquisition. The fixed assets with a carrying value of £682,986 at acquisition were impaired in full to reflect that they have no value in use due to recurring losses. A review of stock sales after date resulted in a stock impairment of £51,527. The goodwill of £255,259 has been impaired in full.

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

	Pulsin Limited	Ohso Chocolate Limited	We Love Purely Limited
	£	£	£
Revaluation of tangible assets			
Plant and Machinery	741,000	-	-
Identified intangible assets			
Brand intellectual property	247,000	80,000	82,000
Customer relationships	2,116,000	105,000	61,000
Less Development cost intangibles degreconised	(52,178)	-	-
Stock	(61,946)	(23,364)	-
Increase in identifiable net assets	2,989,876	161,636	143,000
Minority interest %	0%	24.90%	24.90%
Minority interest in net assets increase	-	(40,248)	(35,607)
Increase in net assets attributable to parent	2,989,876	121,388	107,393
Reduction in deferred purchase consideration	34,484	-	
Reduction in Goodwill	(3,024,362)	(121,388)	(107,393)

The total reduction in Goodwill as a result of the purchase price allocation adjustments is £3,253,394.

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

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

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

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2022**

15. GOODWILL

Group

	£
COST OR VALUATION	
At 1 October 2021 (as previously stated)	6,274,953
Prior year Adjustment (note 33)	<u>382,819</u>
At 1 October 2021 (as restated)	6,657,772
 Additions	 1,062,426
Purchase price allocation adjustments (note 14)	(3,253,394)
Impairments	<u>(569,176)</u>
 At 30 September 2022	 <u>3,897,628</u>
 NET BOOK VALUE	
At 30 September 2022	<u>3,897,628</u>
 At 30 September 2021 (as restated)	 <u>6,657,772</u>

See note 14 in respect of the reduction in goodwill following the purchase price allocation (PPA) review in the current year. An impairment review was undertaken in the current year, resulting in the write off of goodwill in full for Lizza GmbH and Ohso Chocolate Limited.

16. INTANGIBLE ASSETS

Group

	Brand Intellectual Property £	Development costs £	Customer Relationships £	Totals £
COST				
At 1 October 2021	5,107	52,756	-	57,863
Additions	180,498			
Disposals	-	(52,756)	-	(52,756)
Recognised on subsidiary acquisitions (Purchase price allocation note 14)	<u>434,000</u>	<u>-</u>	<u>2,685,000</u>	<u>3,119,000</u>
 At 30 September 2022	 <u>619,605</u>	 <u>-</u>	 <u>2,685,000</u>	 <u>3,304,605</u>
 AMORTISATION				
At 1 October 2021	205	3,277	-	3,482
Amortisation for year	44,846	-	269,832	314,678
Eliminated on disposal	<u>-</u>	<u>(3,277)</u>	<u>-</u>	<u>(3,277)</u>
 At 30 September 2022	 <u>45,051</u>	 <u>-</u>	 <u>269,832</u>	 <u>314,883</u>
 NET BOOK VALUE				
At 30 September 2022	<u>394,056</u>	<u>-</u>	<u>2,415,168</u>	<u>2,989,722</u>
 At 30 September 2021	 <u>4,902</u>	 <u>49,479</u>	 <u>-</u>	 <u>54,381</u>

S-VENTURES PLC

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

17. PROPERTY, PLANT AND EQUIPMENT

Group

	Right of use asset £	Leasehold additions £	Plant and machinery £
COST			
At 1 October 2021	1,707,359	75,793	1,025,176
Additions	-	27,634	254,821
Disposals	-	-	(1,790)
Acquisition revaluation to fair value (see note 14 purchase price allocations)	-	-	741,000
At 30 September 2022	<u>1,707,359</u>	<u>103,427</u>	<u>2,019,207</u>
DEPRECIATION			
At 1 October 2021	13,434	7,354	51,680
Charge for year	275,349	33,296	201,977
Eliminated on disposal	-	-	(1,790)
At 30 September 2022	<u>288,783</u>	<u>40,650</u>	<u>251,867</u>
NET BOOK VALUE			
At 30 September 2022	<u>1,418,576</u>	<u>62,777</u>	<u>1,767,340</u>
At 30 September 2021	<u>1,693,925</u>	<u>68,439</u>	<u>973,496</u>

S-VENTURES PLC

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

17. PROPERTY, PLANT AND EQUIPMENT - continued

	Group and fittings £	Fixtures Computer equipment £	Totals £
COST			
At 1 October 2021	18,053	166,117	2,992,498
Additions	10,149	77,700	368,304
Additions on acquisition of subsidiary undertaking	20,104	-	20,104
Disposals	(3,550)	(50)	(5,390)
Acquisition revaluation to fair value	-	-	741,000
	<u>44,756</u>	<u>241,767</u>	<u>4,116,516</u>
At 30 September 2022			
DEPRECIATION			
At 1 October 2021	581	5,941	78,990
Charge for year	7,658	76,552	594,612
Eliminated on disposal	(1,022)	(20)	(2,832)
	<u>7,217</u>	<u>82,253</u>	<u>670,770</u>
At 30 September 2022			
NET BOOK VALUE			
At 30 September 2022	<u>37,539</u>	<u>159,514</u>	<u>3,445,746</u>
At 30 September 2021	<u>17,472</u>	<u>160,176</u>	<u>2,913,508</u>

The net book value above includes the following split between owned and right of use lease assets:

	2022	2021
Owned	2,027,170	1,219,583
Right-of-use	<u>1,418,576</u>	<u>1,693,925</u>
Total net book value	<u>3,445,746</u>	<u>2,913,508</u>

Company

	Computer Equipment £
COST	
At 1 October 2021	5,201
Additions	<u>21,546</u>
At 30 September 2022	<u>26,747</u>
DEPRECIATION	
At 1 October 2021	771
Charge for year	<u>3,963</u>
At 30 September 2022	<u>4,734</u>
NET BOOK VALUE	
At 30 September 2022	<u>22,013</u>
At 30 September 2021	<u>4,430</u>

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2022**

18. INVESTMENTS

Group

	Associate £	Unlisted investments £	Totals £
COST			
At 1 October 2021	-	30,238	30,238
Additions	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 2022	<u>-</u>	<u>30,238</u>	<u>30,238</u>
NET BOOK VALUE			
At 30 September 2022	<u>-</u>	<u>30,238</u>	<u>30,238</u>
At 30 September 2021	<u>-</u>	<u>30,238</u>	<u>30,238</u>

Interest in associate

The group's share of the 50% investment in the associate is as follows:

	30.9.22	30.9.21
	£	£
Non-current assets	37,492	7,987
Current assets	<u>8,297</u>	<u>26,251</u>
Share of gross assets	45,789	34,238
Share of non-current liabilities	(125,901)	(43,050)
Share of current liabilities	(12,411)	(3,164)
Share of net liabilities	<u>(92,523)</u>	<u>(46,214)</u>
Revenue	5,755	-
Cost of sales	(12,017)	-
Administrative expenses	<u>(59,984)</u>	<u>(16,176)</u>
Loss before Income tax	<u>(66,246)</u>	<u>(16,176)</u>
Loss for the year	<u>(66,246)</u>	<u>(16,176)</u>

The cost of the investment in the Associate was £600. The maximum loss that could be offset against the cost of the investment was therefore £600, which was recognised in the prior year. Accordingly, no further loss will be recognised in the group.

S-VENTURES PLC

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

18. INVESTMENTS - continued

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 October 2021 (as previously stated)	7,010,975	30,238	7,041,213
Prior year Adjustment (note 33)	<u>382,819</u>	-	<u>382,819</u>
As restated at 1 October 2021 (as restated)	7,393,794	30,238	7,424,032
Additions	1,283,803	-	1,283,803
Impairments	<u>(304,605)</u>	-	<u>(304,605)</u>
At 30 September 2022	<u>8,372,992</u>	<u>30,238</u>	<u>8,403,230</u>
NET BOOK VALUE			
At 30 September 2022	<u>8,372,992</u>	<u>30,238</u>	<u>8,403,230</u>
At 30 September 2021 (as restated)	<u>7,393,794</u>	<u>30,238</u>	<u>7,424,032</u>

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

Subsidiary	Cost	Acquisition date	Principal activity	Country of incorporation
Market Rocket Limited	£1,283,202	8 April 2022	Marketing	England
Lizza GmbH	£1	29 August 2022	Bakery	The Netherlands

An impairment review was undertaken during the year and the investment cost of £304,605 in Ohso Chocolate Limited has been impaired to £nil.

S-VENTURES PLC

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

19. INVENTORIES

	Group	
	30.9.22	30.9.21
	£	£
Raw materials	470,951	441,617
Stocks	844,144	517,696
Packaging	<u>332,026</u>	<u>260,563</u>
	<u><u>1,647,121</u></u>	<u><u>1,219,876</u></u>

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	30.9.22	30.9.21	30.9.22	30.9.21
	£	£	£	£
Current:				
Trade receivables	1,589,502	1,052,696	61,430	-
Amounts owed by group undertakings	-	-	2,631,709	595,236
Amounts owed by participating interests	-	86,281	-	86,281
Amounts owed by associates	178,287	76,882	178,287	76,882
Other receivables	76,783	26,519	14,060	-
Funds held in Escrow for				
Corporation tax liability	-	449,195	-	-
Directors' current accounts	-	81,336	-	44,879
VAT	61,944	144,516	17,229	9,456
Prepayments and accrued income	<u>692,528</u>	<u>204,619</u>	<u>161,466</u>	<u>143,449</u>
	<u><u>2,599,044</u></u>	<u><u>2,122,044</u></u>	<u><u>3,064,181</u></u>	<u><u>956,183</u></u>

Amounts owed to group undertakings are net of expected credit losses of £680,013. Other receivables are net of expected credit losses of £20,000. Trade receivables do not include any material past due debts and based on historic recoverability no impairment is required in respect of expected credit losses.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	30.9.22	30.9.21	30.9.22	30.9.21
	£	£	£	£
Bank accounts	<u>1,781,921</u>	<u>154,697</u>	<u>1,722,943</u>	<u>107,586</u>

S-VENTURES PLC

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

22. CALLED UP SHARE CAPITAL

Allotted and issued:				
Number:	Class:	Nominal value:	30.9.22	30.9.21
			£	£
125,571,687	Ordinary	0.01p	125,572	111,378

Share movements in the year are summarised below:

	No	Nominal Value £	Share Premium (£)
Brought forward 1 October 2021 (as previously stated)	111,377,947	111,378	6,107,386
Prior year adjustment (note 33)			<u>382,819</u>
Brought forward at 1 October 2021 (as restated)			<u>6,490,205</u>
Issued for cash	7,142,856	7,142	4,992,833
Issued in connection of acquisitions	5,107,142	5,107	1,904,890
Warrants issued for cash	1,250,000	1,250	23,750
Issued for services	156,250	156	49,844
Options exercised	<u>537,492</u>	<u>538</u>	<u>47,861</u>
Total issued	<u>14,193,740</u>	<u>14,194</u>	<u>7,019,178</u>
Issued shares as at 30 September 2022	<u>125,571,687</u>	<u>125,572</u>	<u>13,509,383</u>

S-VENTURES PLC

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

Share transactions during the year were as follows:

Issue Date		Price per share £	Number	Consideration Total £	Nominal Value Total £	Share premium £
Oct-Dec 21	Warrants exercised	0.020	1,000,000	20,000	1,000	19,000
				50,000	156	49,844
01/11/2021	For consultancy services	0.320	156,250			
01/12/2021	Cash share issue	0.700	4,285,714	3,000,000	4,286	2,995,714
11/02/2022	Warrants exercised	0.020	250,000	5,000	250	4,750
17/02/2022	For trade and asset purchase	0.700	321,429	225,000	321	224,679
01/03/2022	Share Options exercised	0.090	268,746	24,187	269	23,918
11/04/2022	Market Rocket Ltd Acquisition	0.314	2,142,857	672,783	2,143	670,640
	Convertible loan notes		2,642,856	1,012,214	2,643	1,009,571
13/06/2022	settlement	0.383				
13/08/2022	Cash share issue	0.700	2,857,142	2,000,000	2,857	1,997,120
30/09/2022	Share options exercised	0.090	268,746	24,211	269	23,942
			14,193,740	7,033,395	14,194	7,019,178

Warrants

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

	Issued for Investment services - exercisable at 2p each Number	Issued for Investment services - exercisable at 4p each Number	Issued with shares as part of fund raising Number	Latest date for exercise	Exercise price £
Brought Forward 1 October 2021	1,487,800	743,900	-	01/09/2025	
Brought Forward 1 October 2022	-	-	1,000,000	30/04/2023	0.25
Allotted in December 2021 raise	-	-	1,428,571	15/12/2024	1.00
Exercised in Year	(1,250,000)	-	-		
Balance carried forward 30 September 2022	237,800	743,900	2,428,571		

The warrants exercised in the year were at 2p realising £25,000

S-VENTURES PLC

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

23. RESERVES

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

Share based payment reserve

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

Contingent equity settled consideration reserve

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

Equity component of convertible debt reserve

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

S-VENTURES PLC

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

24. TRADE AND OTHER PAYABLES

	Group		Company	
	30.9.22	30.9.21	30.9.22	30.9.21
	£	£	£	£
Current:				
Deferred cash consideration for acquisition	366,361	-	366,368	-
Trade payables	1,913,002	1,247,051	437,254	167,440
Amounts owed to group undertakings	-	-	-	29,760
Social security and other taxes	233,039	94,593	47,696	8,013
Other payables	61,401	200,868	26,257	-
Accruals and deferred income	516,802	436,714	224,104	108,185
Directors' loan	171,635	-	171,635	-
	<u>3,262,240</u>	<u>1,979,226</u>	<u>1,273,314</u>	<u>313,398</u>

25. FINANCIAL LIABILITIES - BORROWINGS

	Group	
	30.9.22	30.9.21
	£	£
Current:		
Bank overdrafts	276,079	260,769
Bank loans	276,505	183,217
Other loans	444,935	-
Hire purchase liabilities (note 26)	434,818	354,060
	<u>1,432,337</u>	<u>798,046</u>
Non-current:		
Bank loans - 1-2 years	191,913	246,141
Leases (see note 26)	1,686,016	2,075,804
	<u>1,877,929</u>	<u>2,321,945</u>

Debt repayment schedule

Group

	1 year or less	1-2 years	2-5 years	More than 5 years	Totals
	£	£	£	£	£
Bank overdrafts	276,079	-	-	-	276,079
Bank loans	276,505	75,995	115,918	-	468,418
Other loans	444,935	-	-	-	444,935
Hire purchase liabilities	434,818	445,320	677,157	563,539	2,120,834
Lease liabilities	-	-	-	-	-
	<u>1,432,337</u>	<u>521,315</u>	<u>793,075</u>	<u>563,539</u>	<u>3,310,266</u>

S-VENTURES PLC

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

Loan terms and interest rates

	Carrying value at 30.09.2022 £	Maturity dates	Interest rates
Government backed CBILS loans	156,162	October 2025	8.0%
Government backed bounce back loans	107,127	August 2026 to April 2027	2.5%
Other bank loans	205,129	December 2035	2.5%
Other loans (Crowd funding)	<u>444,935</u>	February 2023	6.5%
	<u><u>913,353</u></u>		

All loans are repayable by instalments over the loan term.

Other bank loans and other loans are in the subsidiary undertaking Lizza GmbH, which was liquidated in April 2023, so these loans now forms part of the insolvency proceedings.

Interest rate risk

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

Currency risk

A subsidiary has costs arising in US dollars. The group does not hedge its foreign exposure currently but this kept under review and as the sales of the subsidiary grow it will look into locking exchange rates. At September 2022 and 30 September 2021 the Group did not have a material foreign currency exposure.

Liquidity risk

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

S-VENTURES PLC

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

26. LEASING

Group
Right-of-use assets

Property, plant and equipment

	30.9.22	30.9.21
	£	£
COST		
At 1 October 2021	1,707,359	-
Additions	<u>-</u>	<u>1,707,359</u>
	<u>1,707,359</u>	<u>1,707,359</u>
DEPRECIATION		
At 1 October 2021	13,434	-
Charge for year	<u>275,349</u>	<u>13,434</u>
	<u>288,783</u>	<u>13,434</u>
NET BOOK VALUE	<u>1,418,576</u>	<u>1,693,925</u>

Group
Lease and hire purchase liabilities

Minimum lease payments fall due as follows:

	30.9.22	30.9.21
	£	£
Gross obligations repayable:		
Within one year	523,604	447,711
Between one and five years	1,272,949	1,607,251
In more than five years	<u>604,180</u>	<u>755,225</u>
	<u>2,400,733</u>	<u>2,810,187</u>
Finance charges repayable:		
Within one year	88,786	93,651
Between one and five years	150,472	224,134
In more than five years	<u>40,641</u>	<u>62,538</u>
	<u>279,899</u>	<u>380,323</u>
Net obligations repayable:		
Within one year	434,818	354,060
Between one and five years	1,122,477	1,383,117
In more than five years	<u>563,539</u>	<u>692,687</u>
	<u>2,120,834</u>	<u>2,429,864</u>

S-VENTURES PLC

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

27. DEFERRED TAX

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

The total group deferred tax asset written off is £198,913.

The total parent company deferred tax asset written off is £56,367.

28. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the year ended 30 September 2022 and the period ended 30 September 2021:

	30.9.22	30.9.21
	£	£
S P Livingston		
Balance owed to the company at start of year	44,879	-
Amounts advanced	3,867	193,388
Amounts repaid	(48,746)	(148,509)
Loans from the director to the company	<u>(171,635)</u>	-
Balance owed (from)/to the company at end of year	<u>(171,635)</u>	<u>44,879</u>

Loans to directors are subject to Interest at the HMRC beneficial loan rate of 2.25% and are repayable on demand. During the year, the director repaid the prior year balance owed to the company in full and provided loans totalling £171,635 to the company. At the balance sheet date, the company owed the director £171,635. Loans from the director to the company are interest free and repayable on demand

29. RELATED PARTY DISCLOSURES

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

During the year the company entered into a contract with the sister of the director S Livingston, to provide consultancy fees of £50,000 to be settled by the issue of shares on commencement. The fees for the period of service in the current accounting period totalled £45,714.

During the year the company paid sponsorship fees of £3,500 for an event held by a charity in which the company director, B Choudhrie, also holds a directorship.

Loans from the directors during the period are disclosed within the Advances, credits and guarantee note 28.

Key management personnel are considered to be the directors. Compensation of the directors is disclosed in note 5.

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2022**

30. EVENTS AFTER THE REPORTING PERIOD

Acquisition of subsidiary

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

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

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

- cash consideration of £6.4 million, payable on completion. This was funded by loans from Shawbrook Bank of £5.5m and the balance from the parent company's own resources. One loan for £3.5m is fully amortising over the 4 year term and the second loan of £2m is repayable at the end of the 4 year term. The coupon on these loans is SONIA + 5.95% and 7% respectively.; and
- the issue of 5 million Ordinary Shares, which had a fair value of £0.85 million based on the closing share price on the day prior to completion; and
- deferred consideration payable in cash on 1 September 2023 of £1.585 m.

The initial estimate of the fair value of the assets acquired and liabilities assumed of Juvela at the date of acquisition based upon the draft completion accounts made up to the date of acquisition is as follows:

	£
Property, plant and equipment	858,204
Right of Use assets	255,168
Intangible assets	5,516,628
Cash at bank	484,936
Inventory	355,338
Trade and other receivables	1,462,187
Trade and other payables	(885,806)
Loans and other borrowings	(342,645)
Total identifiable net assets acquired	7,704,010
Goodwill	1,109,176
	8,813,186
 Consideration	
Initial consideration (recorded at the market value of the shares issued)	850,000
Cash consideration	6,367,378
Contingent consideration	1,595,808
Total consideration	8,813,186

S-VENTURES PLC

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

Lizza GMBH

As noted elsewhere, the group acquired 100% of Lizza GmbH in August 2022 for €1 plus the assignment for an intercompany loan with a face value of €10m from the former parent for a further €1. The purchase contract included terms which, provided that the Company was viable, S-Ventures would support with working capital loans of up to €2m.

The plan was to make Lizza the start of our European operations, within the EU, and to build on its complementary flax based pizza brands.

Whilst early indications were good, we found it more difficult to assimilate the business and contain the unsustainable losses which were running ahead of expectations and that, in fact, the business was not viable or sustainable. Accordingly, the Board decided on 31 March 2023, to start a German administered court liquidation process. The Provisional Administrator was appointed on 5 April 2023. He is presently seeking buyers for the business.

The group is the largest creditor of Lizza but it is too early to say what recovery, if any will be made from the insolvency process. Sums advanced by the group, including unpaid invoices to other group companies amounted to €855,000 when the decision was made. It is not expected that further payments will be made. As will be seen elsewhere in these accounts, substantial provisions have also had to be made to impair the assets of the business.

Exercise of Warrants

On 3 February 2023, holders of warrants for 1.4m Ordinary shares exercised their rights at 25p realising £350,000.

On 17 February 2023, holders of warrants for 243,000 Ordinary shares exercised their rights at 2p and 4p realising £5,000.

Suspension of Shares

On 3 April 2023, the AQSE share quote was suspended pending submission of the Audited accounts the preparation of which had been delayed, principally due to a delay in obtaining advice on PPA allocations. The quote will be restored once the accounts are filed.

Loan facility

In April 2023, Scott Livingston, CEO, made a loan facility available to the group of £0.5 million. Interest is charged at 15% and there is no fixed repayment date.

31. ULTIMATE CONTROLLING PARTY

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

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2022**

32. SHARE-BASED PAYMENT TRANSACTIONS

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

	Number of options	Weighted average exercise price of options	Number of share based payment warrants*	Weighted average exercise price of warrants
Brought forward at 1/10/2021	2,407,928		2,231,700	
Lapsed during the year	(1,870,436)			
Exercised during the year	(537,492)		(1,250,000)	
As at 30/09/2022	<u>-</u>	<u>-</u>	<u>981,700</u>	<u>£0.04</u>

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

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

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

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

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

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

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

On 1 September 2020 1,487,800 warrants with an exercise price of 2 pence each and 743,900 with an exercise price of 4 pence each were issued in lieu of professional fees. The professional fees have been estimated at £25,000, resulting in a fair value per warrant of £0.011. During the year 1,250,000 of shares were exercised at a price of 2 pence per share, leaving 237,800 to exercise at 2 pence per share and 743,900 at 4 pence per share.

During the year the company entered into a contract with the sister of the director S Livingston, to provide consultancy fees of £50,000 to be settled by the issue of shares on commencement. The fees for the period of service in the current accounting period totalled £45,714.

33. Prior year adjustment

During the purchase price allocation review undertaken in the current year, it was identified that shares issued in the parent company as part of the consideration for two of the subsidiary undertakings share prices had been based on share prices specified in the purchase agreements, but should have been recognised at fair value based on the average market value per the AQSE stock exchange on the date of acquisition. The total additional consideration of £382,819 has increased the investment cost and share premium in the prior year.