



**EIGHT CAPITAL PARTNERS PLC**

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**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

## EIGHT CAPITAL PARTNERS PLC

### COMPANY INFORMATION

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<b>Directors</b>	Gemma Godfrey (appointed 2 February 2023) Luciano Maranzana Dominic White Martin Groak
<b>Company secretary</b>	Martin Groak
<b>Registered number</b>	09301329
<b>Registered office</b>	Kemp House 160 City Road London EC1V 2NX
<b>Independent auditors</b>	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
<b>Bankers</b>	Natwest Bank Plc London EX2M 4QB
<b>Solicitors</b>	Charles Russell Speechlys 5 Fleet Place London EC4M 7RD
<b>AQSE corporate advisor</b>	Cairn Financial Advisers LLP 9th Floor 107 Cheapside London EC2V 6DN
<b>Registrars</b>	Computershare Investor Services Plc The Pavilions Bridgewater Road Bristol BS99 6ZZ

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**CHAIRMAN'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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Dear Shareholder,

This is the report on Eight Capital Partners Plc (the Group or ECP) financial results for the year ended 31 December 2023 and on a number of corporate developments that have occurred during the year and since the year end.

**Vision**

2023 was an important year for Eight Capital. Having successfully transitioned into a financial services group in July 2021, it completed a reorganisation of its debt, converting the major part into equity and thereby strengthening its Balance Sheet considerably. It has a clear strategy in place for the transformation of the business in terms of its size, market value and influence within the fintech sector of financial services.

ECP's strategy centres around digital lending and other services to SMEs. The over-riding theme is that there is an inadequate provision of SME lending at reasonable pricing compared to high and increasing demand. The Company intends to create a pan-European (including the UK) SME digital lending platform with a banking licence, with the aim of establishing itself as a top-three SME working capital solutions and service provider in each of its core markets. It is working to achieve this through the acquisition of a growing digital SME lender and the acquisition and process integration of a NeoBank. Together this would form an integrated capital sourcing, product manufacturing and distribution machine. This may happen through minority or majority investments.

There are successful examples of fast growing digital lending fintech businesses that own banks in the B2C lending space, such as Klarna. ECP's plan is to deliver a similar business model into the B2B arena in the medium term.

The Company believes that SMEs continue to be under served by the traditional financial services sector and are sometimes overlooked by larger funding institutions, or, when managed through a traditional banking process, are perceived as difficult to underwrite and therefore expensive to fund. There are significant benefits for SMEs using fintech systems and innovatively structured capital solutions to better access capital, either for direct investment or to assist with their working capital management.

ECP's objective is to own and integrate product manufacturing and distribution through a fintech digital lender with capital origination and management through a NeoBank to deliver to B2B customers faster, cheaper and more efficient capital solutions through the use of technology.

The Company has reviewed a number of opportunities in the last 12 months including starting due diligence on three specific acquisitions. One of these, a fintech operator, has been rejected by the Company and one of the two others, a European NeoBank, remains a potential acquisition. The pipeline is strong following fintech market changes over the last 24 months which have reduced pricing and increased availability.

Given the size of the potential opportunity and need to move quickly once an agreement has been made by the Company to acquire a business, ECP has started discussions with its current and a series of potential new shareholders and funding partners relating to raising acquisition equity and debt finance.

**2023 Results**

Through its two subsidiaries, the Group recorded revenues for the year under review of £602,000 (2022: £895,000). This income was further supplemented by ECP itself providing management services to certain investees and thereby recovering £40,000 (2022: £84,000) of overhead costs. Finance income less finance expenses was a net surplus of £264,000 (2022: surplus £1,979,000).

The Company together with its advisors has reviewed its investment holdings and expects to recover much of the value associated with them. However, given the environment of higher inflation, higher interest rates as well as geopolitical uncertainty that are resulting in economic commercial headwinds, as well as the perceived instability of some of its debtors, the Company has applied fair value adjustments and impairment charges where necessary. The net movement in fair value of both realised and unrealised gains and losses on investments at fair value was a loss of £14,562,000 (2022: £2,638,000 gain) comprising £14,010,000 of unrealised fair value loss for the year in relation to the 1AF2 bond (explained further below), and £552,000 in relation to other investments. An impairment of other receivables of £554k held at amortised cost was recognised (2022: £nil).

**CHAIRMAN'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

Expenses for the year increased to £2,019,000 from £1,119,000 in 2022 mainly due to higher levels of external corporate finance and due diligence activity relating to the execution of the strategy, and foreign exchange losses; and the Group result for the year was a loss before taxation of £18,946,000 (2022: profit before tax of £4,638,000).

**Subsidiary activities**

Epsilon Capital Ltd ("Epsilon"), our wholly owned UK Corporate Finance subsidiary, derived its income primarily from advising on M&A transactions generating £174,000 intra-group revenue. Innovative Finance S.r.l ("InnFin") our wholly owned Italian Corporate Finance subsidiary also generated advisory fees totalling circa £596,000 in the year (2022: £630,000). At the end of 2023, it was decided to merge the activities of Epsilon and InnFin under the Epsilon umbrella through a transfer of activities and subsequent closing of the Italian subsidiary. This is expected to deliver both operating efficiencies and cost savings. Activities have now consolidated under Epsilon, and the Italian entity has started its solvent liquidation. During the year management assessed the value of the combined Epsilon and InnFin business and a goodwill impairment loss of £2,717k (2022: £1,150k) was recognised.

**Update on key asset: 1AF2 Bond repayment 2024**

During 2021, the Company invested €40 million into a bond issued by 1AF2 Ltd, yielding 2.5% per annum with a repayment date of 22 July 2024. In the current year, the Discounted Cash Flow ("DCF") valuation methodology has been based on cash flows available from the underlying security package of listed securities which has valued the bond at £13.5m. This has been used as the fair value at year end. The bond remains live until 22 July 2024 which is its natural expiry date and the Company understands that the liquidation of the security package is not the issuer's intended method of repayment of the bond. However, based on management's judgement and estimates at year end, given the proximity of the bond's expiry date, and based on conversations with the issuer which are ongoing, the Company has used the market valuation of the public assets held in the security package as the basis for the 1AF2 bond valuation in these accounts, a fair value loss of £14.0m in the year. In the year the Company received a number of coupon interest payments in the form of listed shares as per the bond agreement.

**Changes in Management Team**

During the year under review, the Group has seen a number of changes to its Senior team.

In February 2023, Luciano Maranzana was appointed as Group CEO having been Managing Director of Innovative Finance since August 2022.

Mr Maranzana has over 30 years of experience, primarily in real estate asset management where he has held several leading positions such as Managing Director, in Italy and Spain for UK property group, Hammerson plc and as Fund Manager at Pirelli Real Estate Sgr. where he was responsible for a quoted real estate fund, launching, structuring and managing the property portfolio, investor relations and liquidity investments / divestments. Mr Maranzana was Managing Director of Valore Reale Sgr Spa, a closed-end real estate fund management company with 20 funds underwritten and fully invested with combined assets under management of more than £1.8 billion and Director of Negentropy Capital Partners Italia, a London-based alternative investment management and advisory company focused on opportunistic credit and real estate assets.

Also in February 2023, Gemma Godfrey was appointed to the board as an independent non-executive director. Ms Godfrey is an experienced non-executive director and independent consultant, having founded two digital businesses. As a former founder and CEO of an FCA regulated digital investing business that was acquired by a global insurer, she went on to launch a digital media service on behalf of News UK.

Dominic White  
Chairman  
DATE

# EIGHT CAPITAL PARTNERS PLC

## GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their strategic report for Eight Capital Partners Plc (the “Company”) and its subsidiaries (together the “Group”) for the year ended 31 December 2023.

### Principal Activity

Eight Capital Partners Plc is a financial services group quoted on the Aquis Stock Exchange Growth Market (“AQSE”). Its shares were admitted to trading on AQSE on 3 July 2018. From 1 July 2021, it has been designated as a group operating in financial services. In the period prior to that date, the Company was designated as an Investing Company.

The Group’s principal activity is to provide corporate finance services and investment funds to quoted and unquoted entities principally in the technology and financial services sectors with the objective of generating an attractive rate of return for its shareholders, predominantly through corporate advisory fee income from its subsidiaries, and new revenue streams and capital appreciation from investment in “fintech” businesses.

The closing price of the Company’s shares at 31 December 2023 was 0.0245 pence per share (2022: 0.0245 pence).

### Business review

The Consolidated Statement of Comprehensive Income and Consolidated and Company Statement of Financial Position for the year are set out on pages 19 to 23 respectively. A review of developments affecting the Group during the year and of its prospects for the future appear in the Chairman’s Statement on pages 3 – 4.

### Financial key performance indicators

The Key Performance Indicators (“KPIs”) for the Company are listed as follows:

	<u>2023</u>	<u>2022</u>
(Loss) / earnings per share (pence)	(0.01)	0.02
Revenue £000	602	895

### Principal risks and uncertainties

The Group’s strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The Board is responsible for approving the Group’s strategy and determining the appropriate level of risk. The key risks which the Group faces are detailed as follows:

#### Business and investment performance risk

Business performance risk is the risk that the Group may not perform as expected either due to internal factors or due to competitive pressures in the markets in which they operate.

The Group seeks investments in companies with growth potential. The Directors identify suitable investment opportunities in accordance with its investment strategy.

By their nature, smaller businesses, whether quoted or unquoted, are more volatile than larger, more established businesses and less robust to withstand economic pressures. The risk is that the Group’s investments may encounter circumstances that result in a loss of value which could in turn damage the Group’s share price.

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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The Board is of the view that obtaining timely information on the position of its investments is the most effective management tool and to reduce this risk has put in place monitoring reports on the performance of, and regular dialogue with the boards of the Group's investments.

**Valuation risk**

Valuation risk is the risk that the value of the investment when made was overstated. The Board seeks to mitigate this risk by conducting due diligence on the history and prospects of investment targets and sourcing independent valuations and opinions. The risk is further mitigated by seeking to invest where there is a high valuation margin (valuation per share compared to price paid per share) and the prospect of early returns.

**Market conditions**

Market conditions, especially in the context of the ongoing Ukraine hostilities, rising inflation and interest rates, Brexit and the residual impact of the COVID-19 pandemic, may have a negative impact on the Group's ability to make investments in suitable entities which generate acceptable returns, or to disinvest in a timely manner such that acceptable returns can be realised.

This risk is mitigated by selecting quoted investments listed on liquid markets and unquoted investments where due diligence has indicated near term liquidity events.

**Foreign exchange**

The Group has made Euro-denominated investments. This may give rise to exposure to movements in the exchange rate between the Euro and GBP. Management will seek at all times to mitigate any latent exposure by active currency management. The Company is monitoring matters and seeking advice from foreign exchange specialists as to how to mitigate the risks arising if and when they may occur and would consider using derivatives to lock out exposures.

**Directors' statement of compliance with duty to promote the success of the Group**

The Directors believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Group,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Group's employees,
- Foster the Group's relationships with suppliers, customers and others, and
- Consider the impact of the Group's operations on the community and the environment.

The Group is an early-stage investment company quoted on a minor exchange and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, of the Board's broad and specific intentions and the rationale for its decisions. The Group pays its employees and creditors promptly and keeps its costs to a minimum to protect shareholders funds. When selecting investments, issues such as the impact on the community and the environment have actively been taken into consideration as is clear from the portfolio set out in the Chairman's Statement.

This report was approved by the board on 2 July 2024 and signed on its behalf by.

Dominic White  
Chairman

## EIGHT CAPITAL PARTNERS PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

#### Directors

The Directors of the Company during the year and subsequently were:

Dominic White	Chairman
Martin Groak	Non Executive Director
Luciano Maranzana	Group Chief Executive Officer from 2 February 2023
Gemma Godfrey	Non Executive Director appointed 31 January 2023

The Directors' biographies can be found on page 11.

#### Dividends

The Directors do not recommend payment of a dividend for the year ended 31 December 2023 (2022: £nil).

#### Directors' remuneration

The total remuneration of the Directors for the year was as follows:

	Fees / Basic Salary £000	Other £000	Total 2023 £000	Total 2022 £000
Dominic White*	90	-	90	90
Martin Groak**	12	16	28	33
David Bull***	-	-	-	150
Luciano Maranzana****	111	44	155	42
Gemma Godfrey*****	33	-	33	-
	<u>246</u>	<u>60</u>	<u>306</u>	<u>315</u>

\*£20,000 of Dominic White's salary for 2023 was unpaid at year end (2022: £20,000).

\*\*Included in the above are £13,200 in 2023 and £21,400 in 2022, relating to fees incurred by Marker Management Services Limited, a company controlled by Martin Groak.

\*\*\*Resigned 12 August 2022

\*\*\*\*Paid from Innovative Finance Srl

\*\*\*\*\*Appointed 31 January 2023

The Director's remuneration is disclosed in full in the above table and is not linked to performance. The Directors are not entitled to any post employment benefits, termination benefits or other long term benefits.



## EIGHT CAPITAL PARTNERS PLC

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### Directors' interests

The following Directors had interests in the shares of the holding Company at the end of the year:

	<b>2023</b>	<i>2022</i>
	<b>No. of ordinary shares of 0.01p</b>	<i>No. of ordinary shares of 0.01p</i>
Martin Groak	<b>60,143,000</b>	<i>60,143,000</i>
Dominic White*	<b>150,904,260,253</b>	<i>143,486,668,446</i>

\*Held through Trumar Capital LLC, a company controlled by Dominic White.

#### Option scheme

At 31 December 2023, there were no share options issued to the Directors (2022: nil).

#### Events after balance sheet date

Details of significant events since the balance sheet date are contained in Note 28 to the financial statements.

#### Financial instruments

Details of the use of financial instruments by the Company are contained in Note 24 to the financial statements.

#### Substantial shareholdings

As far as the Directors are aware, as at 2 July 2024 the following shareholders are Company Directors or interested in 3% or more of issued share capital of the Company.

<b>Shareholder</b>	<b>Number of ordinary shares of 0.01p each</b>	<b>% of issued share capital</b>
Dominic White*	<b>150,904,260,253</b>	<i>80.50%</i>
DL CED S.r.l.	<b>15,139,230,037</b>	<i>8.08%</i>
Martin Groak	<b>60,143,000</b>	<i>0.03%</i>

\*Held through Trumar Capital LLC, a company controlled by Dominic White

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Share capital**

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in note 22. Each share carries the right to one vote at general meetings of the Company and carries no right to fixed income.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

**Charitable and political donations**

The Company did not make any political or charitable donations during the year ended 31 December 2023 (2022: £nil).

**Board diversity**

During the year, the Board consisted of three male directors, and one female director. Within the Group, other than the directors, there is only one female employee.

**Health and safety**

The Group is committed to providing a safe place of work for employees. Group policies are reviewed on a regular basis to ensure that policies regarding training, risk assessment, safe working and accident management are appropriate. There are designated officers responsible for health and safety and issues are reported at each board and executive meeting.

**Greenhouse gas emissions**

The Group is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the year under review, it has not been practical to measure its carbon footprint. In the future, the Group will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

**Going concern**

At 28 June 2024, the Group had cash balances of approximately £60k and contractually agreed receivables over the next 12 months of circa £0.75 million. In addition, during the same period it expects to receive funds from the expiry and repayment of principal of the 1AF2 bond which for the purposes of evaluating Going Concern, has been conservatively estimated as a minimum cash inflow of £1.7m.

In July 2024, Eight Capital Partners plc (ECP) is due to be repaid more than £30m when the 1AF2 bond matures. Of the £30m falling due for repayment, taking the entirety of the security package into consideration, almost £15m was covered by listed investments as at 31 December 2023. This figure reduces to £13.5m when discounted back to the 2023 year end from the July 2024 settlement date. At the date of this report the board noted that the value of the security package of listed investments had reduced to approximately £4.0m (based on closing share price as of 28 June 2024). The board also notes the temporary suspension of Regtech Open Project (RTOP) shares on 28 June 2024 on the London Stock Exchange. Since the RTOP shares formed £4.3m of the 1AF2 bond security package at year end, this temporary suspension will impact the Company's ability to liquidate the shares in the security package. However the Company will be able to liquidate the Supply@Me shares within the security package, valued at £2.3m at 28 June 2024. The board also noted that as at 31 March 2024 the group providing the security package, The AvantGarde Group S.p.A (TAG), had declared in its security package valuation update a combined value of privately held assets and public securities of over €67m. There are ongoing conversations with TAG's sole director Alessandro Zamboni regarding the expiry of the 1AF2 bond, who recognises the obligation to fully repay the bond.

The Company is also aware that TAG and its director operate with a diverse group of investors that are involved with a number of public and private businesses that have the potential to provide them with cash, and whilst this

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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provides no guarantee of payment of the 1AF2 bond, the board feels that such connections further strengthen the Company's overall position in terms of future bond principal repayments. These items together provides the board with confidence that there will be cash and other liquid assets forthcoming from TAG and the Company's other operating activities, to provide sufficient working capital for ECP for at least the next 12 months.

The Group's funding requirements (costs plus current creditors, offset by fees to be earned from the opportunities in the sales pipeline) are not expected to exceed £1.4 million in the next 12 months. The Group plans to fund the forecasted cash outflow requirements through existing cash resources, contractual receivables, and the estimated cash inflows from the repayments of 1AF2 bond principal. At the time of this note there is no capex committed.

The Directors are therefore of the opinion that the Group has adequate financial resources to enable it to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

#### Statement of directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with UK adopted international accounting standards.

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 Group and Company, and of the profit and loss of the Group and 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 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 Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' Remuneration report and Corporate Governance statement that comply with that law and those regulations.

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 financial statements may differ from legislation in other jurisdictions.

#### Statement of disclosure of information to auditors

Each Director in office at the date of approval of this Directors' report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
  - The Director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.
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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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Independent auditor

PKF Littlejohn LLP have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the next Annual General Meeting.

Board of Directors

As at the date of this report, the board of directors consisted of:

Dominic White

Chairman

- Member of the Institute of Financial Analysts.
- 24 years' experience in the investment sector.
- Held Board level investment positions at international institutions including Security Capital European Realty, Henderson Global Investors and Cordea Savills Invest Management.

Luciano Maranzana

Group Chief Executive Officer

- Over 30 years' experience in financial services.
- Senior board roles in investment management and asset management.

Martin Groak

Independent Non-Executive Director

- Over 35 years of international business experience.
- Retired Chartered Accountant (ICAEW: 1978-2012).
- Multi-lingual, with a strong background in finance and financial control.
- Broad sectoral experience: oil exploration, energy, mining, logistics and physical trading.
- Formerly a director of five UK publicly listed companies. Currently non-executive director of Tanfield Group plc, an AIM quoted investment company focused on the engineering sector.
- Various Interim CFO positions, including managing the finances of the UK's second generation nuclear power station fleet.

Gemma Godfrey

Independent Non-Executive Director

- Former founder and CEO of an FCA regulated digital investing business.
- Launched a digital media service on behalf of News UK.
- Former head of investment strategy for Brooks Macdonald Group Plc .
- Boardroom advisor on The (US) Apprentice television show.
- Has extensive NED experience; currently has four other publicly listed international directorships, including financial services and battery technology.

This report was approved by the Board of Directors on 2 July 2024 and signed on behalf of the board by:

Dominic White

Chairman

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EIGHT CAPITAL PARTNERS PLC  
(CONTINUED)**

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**Opinion**

We have audited the financial statements of Eight Capital Partners Plc (the 'company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Profit or loss and Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and 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 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 company's affairs as at 31 December 2023 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 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 group and 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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting included a review of the forecast for a twelve month period from the date of signing the financial statements, including challenges made to the underlying assumptions and sensitised these, a review of management's assessment of going concern including an evaluation of the forecasted cash inflows from opportunities in the pipeline and estimated cash inflows from the repayment of the investment bond which include the assets provided as security on the bond, and post year-end information impacting going concern.

In addition to the above procedures, we:

- Reviewed management's assessment of the recoverability of the investment bonds considering the current value of the underlying security package pledged as per the bond agreement,

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EIGHT CAPITAL PARTNERS PLC  
(CONTINUED)**

- Reviewed and challenged the group's ability and likelihood of receiving minimum funds, from the underlying security package of the bond, to discharge its existing current liabilities and the forecasted cash out flows over the going concern period;
- Reviewed and challenged the reasonableness of management's cash flow forecast in calculating its cash requirement over the going concern lookout period, and applied sensitivities to these forecasts;
- Considered the availability of current assets, such of the group's listed investments, that could be liquidated to cash on short notice should it be required; and
- Considered the impact of the post balance sheet matters, as set out in our Key Audit Matter below, on the cash flow forecast.

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

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

**Our application of materiality**

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. The scope of our audit was influenced by our application of materiality. The quantitative and qualitative threshold for materiality determines the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the group financial statements was set at £112,000 (2022: £312,000). In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take into account the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

<b>Materiality</b>	<b>Basis for materiality and rationale for the benchmark applied</b>
<p><b>Group materiality £112,000 (2022: £312,000)</b>  <b>Adjusted performance materiality £112,000 (2022: £218,400)</b></p>	<p><i>0.75% (2022: 0.75%) of gross assets was used, which is considered to be the most appropriate benchmark for a financial services group that holds significant investments as part of their operating strategy. The gross asset value is also identified by management as a key performance indicator.</i></p>
<p><b>Company materiality £112,000 (2022: £307,000)</b>  <b>Adjusted performance materiality £112,000 (2021: £214,900)</b></p>	<p><i>The procedures performed on the two components, where we only scoped in specific account balances, were completed using the group materiality levels.</i></p> <p><i>Performance materiality was originally set at 70% (2022: 70%) of overall materiality at the planning stage of the audit to ensure sufficient coverage for group and company reporting purposes. During the audit we noted adjustments to gross assets, as set out in the Key Audit Matter section below, which reduced the balance use for calculating materiality. It required us to re-evaluate our materiality level, resulting in us lowering the materiality used in our testing and performing additional procedures to ensure sufficient audit evidence was obtained.</i></p>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EIGHT CAPITAL PARTNERS PLC  
(CONTINUED)**

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The audit team performed a full scope audit of the company, and specific scope audit of the remaining two trading components. For each component in the scope of our group audit, we allocated a materiality that was less than our overall group materiality.

Performance materiality was determined at 70% (2022: 70%) of materiality for the group and company, based on our assessment of the relevant risk factors, the level of estimation inherent within the entities and our testing approach.

We agreed with the board of directors that we would report all corrected and uncorrected misstatements identified during the course of the audit in excess of £5,645 (2022: £15,600) for the group and £5,645 (2022: £15,350) for the company, in addition to other identified misstatements that warranted reporting on qualitative grounds.

**Our approach to the audit**

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas requiring the directors to make subjective judgements, for example in respect of assessing the judgments such as the measurement of the investment in bonds, going concern assessment, the carrying value of goodwill arising from the acquisitions made in the prior years, the carrying value and recoverability of investments in subsidiaries at the company level, and the consideration of future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Of the two components of the group, specific procedures were performed on the material and risk areas of both. Both the components were audited by the group audit team.

## EIGHT CAPITAL PARTNERS PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EIGHT CAPITAL PARTNERS PLC (CONTINUED)

#### 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.

Key Audit Matter	How our scope addressed this matter
<p><b>Investments of £13.9m in bonds – classification, valuation, and presentation (note 17)</b></p> <p>The group holds significant investments in bonds. These are held at fair value through profit and loss following IFRS 9 and are valued in accordance with IFRS 13 and the fair value hierarchy.</p> <p>There is the risk that these investments are not classified, valued, and presented in accordance with IFRS. Also, there is a risk around the recoverability of the investment in bonds.</p>	<p>Our work included, but was not limited to:</p> <ul style="list-style-type: none"> <li>• Reviewed management’s assessment of the classification of the listed bond as fair value through the profit and loss by understanding the terms of the listed bonds in the bond agreement and ensuring its classification in compliance with IFRS 9;</li> <li>• Tested the movement of listed bonds in the year and tested any material movement to supporting documentation, and reviewed the underlying computation of each movement item.</li> <li>• Reviewed management’s assessment of fair valuation, tested and reviewed each significant estimate to supporting documents and ensured its reasonableness;</li> <li>• Ensured fair valuation approach to be consistent with IFRS 13 and presentation of listed bonds as per fair value hierarchy;</li> <li>• Ensured the disclosures in the accounts are appropriate as per IFRSs and complete; and</li> <li>• Reviewed management’s assessment of the recoverability of the bonds based on the group’s legal position driven by the underlying agreements of the bond and management’s assessment of the financial position of the bond issuer.</li> </ul> <p>Based on our procedures performed, and through our challenge of management’s assumptions, we identified an additional fair value adjustment to the bond, which further decreased the fair value of the bond at year-end.</p> <p>We noted that the value of the listed shares, provided as the security package on the 1AF2 Bond, devalued by €10.9m after the year end and that one of those listed investments, RegTech Open Project Plc, suspended trading on 28 June 2024 (Note 28). These matters could directly impact the value of the bond after the yearend.</p> <p>Management has adjusted the financial statements and disclosure note to reflect the adjustment above.</p>



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EIGHT CAPITAL PARTNERS PLC  
(CONTINUED)**

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**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 group and company 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group and company 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 group and company financial statements, the directors are responsible for assessing the group and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EIGHT CAPITAL PARTNERS PLC  
(CONTINUED)**

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**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 group and company and the sector in which they operate 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 and our application of cumulative knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and company in this regard to be those arising from Companies Act 2006, International Accounting Standards, AQSE regulations, UK and local employment laws, Bribery Act 2010, and Money Laundering regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and company with those laws and regulations. These procedures included, but were not limited to:
  - enquiries of management, review of minutes, review of legal and regulatory correspondence, and review of regulated news service 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, including the potential for management bias identified in relation to the valuation of the investments and we addressed this by challenging the assumptions and judgements made by management when auditing those significant accounting estimates.
- 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; enquiries of management, review of minutes, and Regulatory News Service (RNS) announcements; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## EIGHT CAPITAL PARTNERS PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EIGHT CAPITAL PARTNERS PLC (CONTINUED)

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#### Use of our report

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

**Hannes Verwey (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**  
2 July 2024

15 Westferry Circus  
Canary Wharf  
London E14 4HD

**EIGHT CAPITAL PARTNERS PLC**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £000	RESTATED 2022 £000
<b>Revenue</b>	5	<b>602</b>	895
Other operating income	7	<b>40</b>	84
Corporate advisory fees	6	<b>(599)</b>	-
Foreign exchange (losses) / gains	6	<b>(244)</b>	259
General expenses	6	<b>(402)</b>	(358)
Legal and professional fees	6	<b>(355)</b>	(420)
Rent and rates	6	<b>(84)</b>	(107)
Staff costs	6	<b>(335)</b>	(493)
Net change in unrealised/realised gains and losses on investments at fair value through profit or loss	17	<b>(14,562)</b>	2,638
Goodwill impairment	14	<b>(2,717)</b>	(1,150)
Impairment of other receivables recognised at amortised cost	18	<b>(554)</b>	-
Release of contingent consideration	21	-	1,311
<b>(Loss) / profit from operations</b>		<b>(19,210)</b>	2,659
Finance income	10	<b>874</b>	876
Finance expense including debt modification gain or loss	10	<b>(610)</b>	1,103
<b>(Loss) / profit before tax</b>		<b>(18,946)</b>	4,638
Taxation	11	-	-
<b>(Loss) / profit for the year</b>		<b>(18,946)</b>	4,638
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>(18,946)</b>	4,638
		<b>2023</b>	<b>2022</b>
		<b>Pence</b>	<b>Pence</b>
<b>Earnings per share attributable to the ordinary equity holders of the parent</b>			
Basic	12	<b>(0.01)</b>	0.02
Diluted	12	<b>(0.01)</b>	0.02

A summary of the restatement of the 2022 Consolidated Statement of Profit or Loss and Other Comprehensive Income is set out at note 3.

The notes on pages 32 to 73 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	2023 £000	2022 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	15	22
Intangible assets	16	-	2,728
Trade and other receivables	18	-	311
		<u>15</u>	<u>3,061</u>
<b>Current assets</b>			
Trade and other receivables	18	487	1,062
Cash and cash equivalents		35	22
Current asset investments	17	14,517	28,785
		<u>15,039</u>	<u>29,869</u>
<b>Total assets</b>		<u>15,054</u>	<u>32,930</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	24	-	402
Long term bonds	20	897	5,807
		<u>897</u>	<u>6,209</u>
<b>Current liabilities</b>			
Trade and other liabilities	19	1,362	468
Loans and borrowings	24	-	970
		<u>1,362</u>	<u>1,438</u>
<b>Total liabilities</b>		<u>2,259</u>	<u>7,647</u>
<b>Net assets</b>		<u>12,795</u>	<u>25,283</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 DECEMBER 2023

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	Note	2023 £000	2022 £000
<b>Issued capital and reserves attributable to owners of the parent</b>	23		
Share capital	22	20,042	17,484
Share premium reserve		21,999	18,099
Convertible debt option reserve		84	84
Retained earnings		(29,330)	(10,384)
<b>TOTAL EQUITY</b>		<b><u>12,795</u></b>	<b><u>25,283</u></b>

The financial statements were approved and authorised for issue by the board of directors on 2 July 2024 and were signed on its behalf by:

Dominic White  
Chairman

The notes on pages 32 to 73 form part of these financial statements.

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	2023 £000	2022 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	3	3
Other non-current investments	13	-	2,659
Trade and other receivables	18	-	311
		<u>3</u>	<u>2,973</u>
<b>Current assets</b>			
Trade and other receivables	18	849	1,069
Cash and cash equivalents		27	5
Current asset investments	17	14,082	28,785
		<u>14,958</u>	<u>29,859</u>
<b>Total assets</b>		<u>14,961</u>	<u>32,832</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	24	-	396
Long term bonds	20	897	5,807
		<u>897</u>	<u>6,203</u>
<b>Current liabilities</b>			
Trade and other liabilities	19	713	736
Loans and borrowings	24	-	970
		<u>713</u>	<u>1,706</u>
<b>Total liabilities</b>		<u>1,610</u>	<u>7,909</u>
<b>Net assets</b>		<u>13,351</u>	<u>24,923</u>

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
<b>Issued capital and reserves attributable to owners of the parent</b>	23		
Share capital	22	20,042	17,484
Share premium reserve		21,999	18,099
Convertible debt option reserve		84	84
Retained earnings		(28,774)	(10,744)
<b>TOTAL EQUITY</b>		<b>13,351</b>	<b>24,923</b>

The Company's loss for the year was £18,030 thousand (2022 – profit £4,158 thousand).

The financial statements were approved and authorised for issue by the board of directors on 2 July 2024 and were signed on its behalf by:

Dominic White  
Chairman

The notes on pages 32 to 73 form part of these financial statements.



**EIGHT CAPITAL PARTNERS PLC**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

Notes	Share capital £000	Share premium £000	Convertible debt option reserve £000	Retained earnings £000	Total attributable to equity holders of parent £000	Total equity £000
<b>At 1 January 2023</b>	17,484	18,099	84	(10,384)	25,283	25,283
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	(18,946)	(18,946)	(18,946)
<b>Total comprehensive income for the year</b>	-	-	-	(18,946)	(18,946)	(18,946)
<b>Contributions by and distributions to owners</b>						
Issue of share capital	22 2,558	3,900	-	-	6,458	6,458
<b>Total contributions by and distributions to owners</b>	2,558	3,900	-	-	6,458	6,458
<b>At 31 December 2023</b>	<b>20,042</b>	<b>21,999</b>	<b>84</b>	<b>(29,330)</b>	<b>12,795</b>	<b>12,795</b>

**EIGHT CAPITAL PARTNERS PLC**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Share capital £000	Share premium £000	Convertible debt option reserve £000	Foreign exchange reserve £000	Other reserves £000	Retained earnings £000	Total attributable to equity holders of parent £000	Total equity £000
<b>At 1 January 2022</b>		1,453	2,068	84	(4)	15	(15,037)	(11,421)	(11,421)
<b>Comprehensive income for the year</b>									
Profit for the year		-	-	-	-	-	4,638	4,638	4,638
<b>Total comprehensive income for the year</b>		-	-	-	-	-	4,638	4,638	4,638
<b>Contributions by and distributions to owners</b>									
Issue of share capital	22	16,031	16,031	-	-	-	-	32,062	32,062
Other movements	-	-	-	-	4	-	-	4	4
Share based payment		-	-	-	-	(15)	15	-	-
<b>Total contributions by and distributions to owners</b>		16,031	16,031	-	4	(15)	15	32,066	32,066
<b>At 31 December 2022</b>		<b>17,484</b>	<b>18,099</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>(10,384)</b>	<b>25,283</b>	<b>25,283</b>

The notes on pages 32 to 73 form part of these financial statements.

**EIGHT CAPITAL PARTNERS PLC**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Share capital	Share premium	Convertible debt option reserve	Retained earnings	Total equity
		£000	£000	£000	£000	£000
<b>At 1 January 2023</b>		17,484	18,099	84	(10,744)	24,923
<b>Comprehensive income for the year</b>						
Loss for the year		-	-	-	(18,030)	(18,030)
<b>Total comprehensive income for the year</b>		-	-	-	(18,030)	(18,030)
<b>Contributions by and distributions to owners</b>						
Issue of share capital	22	2,558	3,900	-	-	6,458
<b>Total contributions by and distributions to owners</b>		2,558	3,900	-	-	6,458
<b>At 31 December 2023</b>		<b>20,042</b>	<b>21,999</b>	<b>84</b>	<b>(28,774)</b>	<b>13,351</b>

The notes on pages 32 to 73 form part of these financial statements.

**EIGHT CAPITAL PARTNERS PLC**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

Notes	Share capital £000	Share premium £000	Convertible debt option reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
<b>At 1 January 2022</b>	1,453	2,068	84	15	(14,917)	(11,297)
<b>Comprehensive income for the year</b>						
Loss for the year					4,158	4,158
<b>Total comprehensive income for the year</b>	-	-	-	-	4,158	4,158
<b>Contributions by and distributions to owners</b>						
Issue of share capital	22 16,031	16,031	-	-	-	32,062
Share based payment	-	-	-	(15)	15	-
<b>Total contributions by and distributions to owners</b>	16,031	16,031	-	(15)	15	32,062
<b>At 31 December 2022</b>	<b>17,484</b>	<b>18,099</b>	<b>84</b>	<b>-</b>	<b>(10,744)</b>	<b>24,923</b>

The notes on pages 32 to 73 form part of these financial statements.

**EIGHT CAPITAL PARTNERS PLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £000	2022 £000
<b>Cash flows from operating activities</b>			
(Loss) / profit for the year		<b>(18,946)</b>	4,638
<b>Adjustments for</b>			
Depreciation of property, plant and equipment	15	7	3
Amortisation of intangible fixed assets	16	11	2
Equity settled current liability		41	-
Finance income	10	<b>(874)</b>	(882)
Finance expense	10	<b>610</b>	(1,103)
Net change in unrealised/realised gains and losses on investments at fair value through profit or loss	17	<b>14,562</b>	(1,488)
Goodwill impairment	14	<b>2,717</b>	-
Impairment of other receivables at amortised cost	18	<b>554</b>	-
Release of contingent consideration	21	-	(1,311)
Net foreign exchange loss / (gain)		<b>244</b>	(411)
		<b>(1,074)</b>	(552)
<b>Movements in working capital:</b>			
Decrease in trade and other receivables		<b>113</b>	65
Increase in trade and other payables		<b>266</b>	243
		<b>(695)</b>	(244)
<b>Cash used in operations</b>			
		<b>(695)</b>	(244)
<b>Net cash used in operating activities</b>			
		<b>(695)</b>	(244)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	15	-	(1)
Proceeds on sale of financial assets	17	<b>26</b>	-
Interest received		<b>839</b>	675
		<b>865</b>	674
<b>Net cash from investing activities</b>			

**EIGHT CAPITAL PARTNERS PLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Notes</b>	<b>2023</b>	<i>2022</i>
		<b>£000</b>	<i>£000</i>
<b>Cash flows from financing activities</b>			
Repayment of loans		<b>(20)</b>	-
Proceeds from borrowings		<b>73</b>	<i>471</i>
Interest paid		<b>(210)</b>	<i>(1,081)</i>
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		<b>(157)</b>	<i>(610)</i>
		<hr/>	<hr/>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>13</b>	<i>(180)</i>
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of year		<b>22</b>	<i>202</i>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>		<b><u>35</u></b>	<i><u>22</u></i>

The notes on pages 32 to 73 form part of these financial statements.

Excluded from the consolidated statement of cash flows are the following non cash items included in the consolidated statement of financial position:

- Conversion of bond, debt liabilities, interest and other liabilities to equity of £6.46m (2022: £32.1m).
- Conversion of current receivables to current investments of £0.8m (2022: £nil).

A reconciliation of cash to net debt is set out at Note 25.

**EIGHT CAPITAL PARTNERS PLC**

**COMPANY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £000	2022 £000
<b>Cash flows from operating activities</b>			
(Loss) / profit for the year		<b>(18,030)</b>	4,158
<b>Adjustments for</b>			
Impairment of property, plant and equipment	15	-	1
Equity settled current liability		<b>41</b>	-
Finance income	10	<b>(853)</b>	(882)
Finance expense	10	<b>613</b>	(1,103)
Net change in unrealised/realised gains and losses on investments at fair value through profit or loss	24	<b>14,188</b>	(1,521)
Impairment of investment in subsidiary companies	13	<b>2,659</b>	-
Impairment of other receivables at amortised cost	18	<b>554</b>	-
Release of contingent consideration	21	-	(1,311)
Net foreign exchange loss / (gain)		<b>254</b>	(271)
		<b>(574)</b>	(929)
<b>Movements in working capital:</b>			
Decrease/(increase) in trade and other receivables		<b>(27)</b>	12
(Decrease) / increase in trade and other payables		<b>(39)</b>	261
<b>Cash used in operations</b>		<b>(640)</b>	(656)
<b>Net cash used in operating activities</b>		<b>(640)</b>	(656)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	15	-	(1)
Proceeds on sale of financial assets	17	<b>26</b>	-
Interest received		<b>839</b>	675
<b>Net cash from investing activities</b>		<b>865</b>	674

**EIGHT CAPITAL PARTNERS PLC**

**COMPANY STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
<b>Cash flows from financing activities</b>		
Repayment of loans	(20)	-
Loans (to) / from subsidiary companies	(46)	414
Proceeds from bank borrowings	73	471
Interest paid	(210)	(1,081)
<b>Net cash used in financing activities</b>	<b>(203)</b>	<i>(196)</i>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>22</b>	<i>(178)</i>
Cash and cash equivalents at the beginning of year	5	183
<b>Cash and cash equivalents at the end of the year</b>	<b>27</b>	<i>5</i>

The notes on pages 32 to 73 form part of these financial statements.

Excluded from the company statement of cash flows are the following non cash items included in the company statement of financial position:

- Conversion of bond, debt liabilities, interest and other liabilities to equity of £6.46m (2022: £32.1m).

A reconciliation of cash to net debt is set out at Note 25



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. Accounting policies**

**1.1. General information**

Eight Capital Partners Plc (“the Company”) is a public limited company limited by shares and incorporated in England. Its registered office is Kemp House, 160 City Road, London, EC1V 2NX.

The Company’s shares are traded on the Aquis Stock Exchange Growth Market under ticker ECP and ISIN number GB00BYT56612.

The consolidated financial statements of the Company consist of the following companies (together “the Group”):

Eight Capital Partners plc	UK registered company
Epsilon Capital Limited	UK registered company
Innovative Finance S.r.l (“InnFin”)	Italian registered company

The Group’s principal activity is to provide corporate finance services and investment funds to quoted and unquoted entities principally in the technology and financial services sectors with the objective of generating an attractive rate of return for its shareholders, predominantly through corporate advisory fee income from its subsidiaries, and new revenue streams and capital appreciation from investment in “fintech” businesses.

**1.2. Basis of preparation**

These consolidated financial statements have been prepared and approved by the Directors in accordance with UK adopted international accounting standards.

The Company was classified as an investment vehicle for the period to 30 June 2021. On 1 July 2021 Eight Capital Plc changed its status from an investment vehicle to an operating company. As a result, and in accordance with IFRS 10, the Company’s investments in subsidiaries have been consolidated from this date.

These consolidated financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of listed and unlisted investments at fair value.

These consolidated financial statements are presented in Pounds Sterling, rounded to the nearest thousand (£’000), which is the Company’s presentation and functional currency.

The presentational currency for Epsilon Limited is Pounds Sterling and for InnFin is Euro as the subsidiary is registered in Italy.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. Accounting policies (continued)**

**1.3. Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries ("the Group").

Subsidiaries include all entities over which the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control commences until the date that control ceases. Intra-group balances and any unrealised gains and losses on income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The acquisition method of accounting is used to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, and the equity interests issued. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. Acquisition related costs are expensed as incurred. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

**1.4. Going concern**

At 28 June 2024, the Group had cash balances of approximately £60k and contractually agreed receivables over the next 12 months of circa £0.75 million. In addition, during the same period it expects to receive funds from the expiry and repayment of principal of the 1AF2 bond which for the purposes of evaluating Going Concern, has been conservatively estimated as a minimum cash-inflow of £1.7m.

In July 2024, Eight Capital Partners plc (ECP) is due to be repaid more than £30m when the 1AF2 bond matures. Of the £30m falling due for repayment, taking the entirety of the security package into consideration, almost £15m was covered by listed investments as at 31 December 2023. This figure reduces to £13.5m when discounted back to the 2023 year end from the July 2024 settlement date. At the date of this report the board noted that the value of the security package of listed investments had reduced to approximately £4.0m (based on closing share price as of 28 June 2024). The board also notes the temporary suspension of Regtech Open Project (RTOP) shares on 28 June 2024 on the London Stock Exchange. Since the RTOP shares formed £4.3m of the 1AF2 bond security package at year end, this temporary suspension will impact the Company's ability to liquidate the shares in the security package. However, the Company will be able to liquidate the Supply@Me shares within the security package, valued at £2.3m at 28 June 2024. The board also noted that as at 31 March 2024 the group providing the security package, The AvantGarde Group S.p.A (TAG), had declared in its security package valuation update a combined value of privately held assets and public securities of over €67m. There are ongoing conversations with TAG's sole director Alessandro Zamboni regarding the expiry of the 1AF2 bond, who recognises the obligation to fully repay the bond.

The Company is also aware that TAG and its director operate with a diverse group of investors that are involved with a number of public and private businesses that have the potential to provide them with cash, and whilst this provides no guarantee of payment of the 1AF2 bond, the board feels that such connections further strengthen the Company's overall position in terms of future bond principal repayments. These items together provides the board with confidence that there will be cash and other liquid assets forthcoming from TAG and the Company's other operating activities, to provide sufficient working capital for ECP for at least the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. Accounting policies (continued)**

**1.4. Going concern (continued)**

The Group's funding requirements (costs plus current creditors, offset by fees to be earned from the opportunities in the sales pipeline) are not expected to exceed £1.4 million in the next 12 months. The Group plans to fund the forecasted cash outflow requirements through existing cash resources, contractual receivables, and the estimated cash inflows from the repayments of 1AF2 bond principal. At the time of this note there is no capex committed.

The Directors are therefore of the opinion that the Group has adequate financial resources to enable it to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

**1.5. New standards, amendments and interpretations not yet adopted**

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning 1 January 2023 that have had a material impact on the Group.

Certain new accounting standards and interpretations have been issued but have not been applied by the Group in preparing these financial statements as they are not as yet effective. These standards are not expected to have a material impact on the Group in the current or future periods and on foreseeable future transactions.

**1.6. Investments in subsidiaries**

Investments in subsidiaries are held at cost less any impairment.

**1.7. Goodwill**

Goodwill on acquisition of subsidiaries represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets and contingent liabilities acquired. Identifiable assets are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested annually, or when trigger events occur, for impairment and is carried at cost less accumulated impairment losses.

**Impairment test of goodwill**

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash generating unit level. Goodwill is allocated to those cash generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in use. To determine the value in use, management estimates expected future cash flows from each

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. Accounting policies (continued)**

cash generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash generating unit and reflect current market assessments of the time value of money and asset specific risk factors.

Impairment losses for cash generating units reduce first the carrying amount of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

**1.8. Foreign currency**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses are presented in the income statement within 'finance income or costs.'

The results and financial position of Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each Income Statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

**1.9. Intangible assets**

Computer software acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values.

**Subsequent measurement**

All finite life intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date.

The following useful lives are applied:

Software –: 3 - 5 years

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognised in profit or loss within other income or other expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. Accounting policies (continued)**

**1.10. Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Furniture, fittings and computer equipment    3 – 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**1.11. Borrowing costs**

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

**1.12. Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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1. Accounting policies (continued)

1.13. Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

**Financial assets**

Classification

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures its financial assets at amortised cost which comprise 'trade and other receivables' and 'cash and cash equivalents'.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition and measurement

At initial recognition, an entity shall measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, an entity shall measure trade receivables at their transaction price if the trade receivables do not contain a significant financing component.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Derecognition also takes place for certain assets when the Group writes off balances pertaining to the assets deemed to be uncollectible.

Impairment of financial assets

IFRS 9 mandates the use of an expected credit loss model to calculate impairment losses rather than an incurred loss model, and therefore it is not necessary for a credit event to have occurred before credit losses are recognised. The new impairment model applies to the Group's financial assets and loan commitments. The Group recognises lifetime expected credit losses ("ECL") when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the 12 month ECL.

The Group is satisfied that the credit risk of its financial assets has not significantly increased and no provision for losses is required. The Group has concluded this on the basis of ongoing monitoring of the credit status of bank counterparties and the long term operating relationships that the Group has with the other debtor counterparties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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1. Accounting policies (continued)

1.13 Financial instruments (continued)

Listed investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included as listed investments. Instruments included in quoted investments, which for the Company comprise AIM and AQSE investments. Changes in fair value are recognised in profit or loss.

Where there is no active market for listed investments categorised at Level 3 of the Fair Value Hierarchy, the investments are measured at fair value using a range of unobservable inputs based on a valuation of the underlying securities related to the investments and by comparison to a discounted cash flow analysis. Full details of the methodology used are set out in Note 16. Changes in fair value are recognised in profit or loss.

Unlisted investments

Unlisted investments that are not publicly traded and whose fair value cannot be measured reliably, are measured at cost less impairment.

Loans and receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are held with the objective of collecting the contractual cash flows. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non current assets.

Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Due to the short term nature of the other current receivables, their carrying amount is considered to be the same as their fair value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with maturities of three months or less. In the consolidated Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

**Financial liabilities**

Basic financial liabilities include trade and other payables.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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1. Accounting policies (continued)

**Long-term bonds**

Bonds are a form of fixed interest borrowing over a pre determined period. The Company makes use of tradeable bonds to fund investments in unlisted entities and for general overheads.

**7% Bonds**

The Company issued 5,000 bonds of €1,000 each (the "Bonds") to raise up to €5 million on the Vienna Stock Exchange's multilateral trading facility ("MTF") on 26 July 2019. The principal terms of the Bonds are as follows: issue price and redemption at par; interest of 7% per annum paid semi-annually in arrears; issue date of 26 July 2019 with a redemption date of 26 July 2022. In order to facilitate a less expensive and complex issuing method, all the bonds were issued, including to the Company if there was no third party. These bonds, described as "held in Treasury", could then be issued to third parties via the secondary bond market as required. As at 31 December 2023, there were nil 7% bonds by value held in Treasury (2022: €nil). Only those bonds that are issued to third parties are recognised as liabilities.

On 19 May 2022, the Company issued a further 5,000 7% Bonds of €1,000 (New 7% Bonds) each to various Bondholders, within the same issuing structure and on the same terms as the original 7% Bonds, bringing the total issuance to €10 million. In June 2022, the Bondholders approved the realignment of all the 7% bonds with the Company's 4.8% bonds, whereby the maturity date was extended to 26 July 2026 and the coupon became 4.8% per annum, payable quarterly in arrears.

In September 2023, the bondholders approved the remaining unissued 7% bonds to be cancelled with the remaining €5.0m in issue of the original 7% bonds converted to share capital and €0.6m of 4.8% bonds including accrued interest. A total modification gain of £0.20m was recognised in 2023 (2022: £1.78m).

Bonds that are not issued to third parties remain as issued to the Company for future trading and only those that are issued to third parties are recognised as liabilities. At 31 December 2023 a total of 1,080 (2022: 6,975) 4.8% bonds representing a liability of €1,080,000 (2022: €6,975,000) had been issued to third parties and nil (2022: 1,010) Bonds with a par value of €nil (2022: €1,010,000) were issued to the Company and available to be traded.

**4.8% Bonds**

On 2 September 2021, the Company issued bond notes to raise up to €25 million on the Vienna Stock Exchange's multilateral trading facility ("MTF") (4.8% Bonds). The principal terms of the 4.8% Bonds are as follows: - Issue price and redemption at par; - Interest of 4.8% per annum paid quarterly in arrears; - Issue date of 3 September 2021 with a redemption date of 3 September 2026.

As at 31 December 2023, there were no 4.8% bonds by value held in Treasury (2022: €1,010,000). Only those bonds that are issued to third parties are recognised as liabilities.

As at 31 December 2023, a total of £nil (2022: €1,422,996) 4.8% bonds had been subscribed for by entities controlled by Dominic White, Chairman of Eight Capital.

**Accounting for Conversion and Restructuring of Bonds**

The conversion of the bonds during the year and restructuring in the prior year gave rise to a modification gain owing to a reduction in total liabilities upon measuring the bonds based on a discounted cash flow analysis of the future liabilities based on the original effective interest rate. The modification loss was assessed at £0.33m (2022: £1.78m gain) and has been reported within finance costs in the Consolidated Statement of Comprehensive Income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. Accounting policies (continued)**

**Share Capital**

Share Capital consists of two classes of share: ordinary shares and deferred shares.

Both classes of share are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares bestow full rights on shareholders.

On 23 July 2018, each of the existing ordinary shares of 0.25 pence were sub-divided into one new ordinary share of 0.01 pence and one deferred share of 0.24 pence.

The deferred shares do not entitle their holders to receive notice of or to attend or vote at any general meeting of the Company, or to receive any dividend or other distribution. On a return of capital on a winding up or dissolution of the Company, the holders of the deferred shares shall be entitled to receive an amount equal to the nominal amount paid up thereon, but only after the holders of new ordinary shares have received £100,000 per new ordinary share.

The holders of deferred shares are not entitled to any further right of participation in the assets of the Company. The Company shall have the right to purchase the deferred shares in issue at any time for no consideration. As such, the deferred shares effectively have no value. Share certificates were not issued in respect of the deferred shares, and they have not been admitted to trading on the Aquis Stock Exchange Growth Market.

**Convertible Loan Notes**

The convertible loan note ("CLN") is a financial instrument that can be converted to share capital at the option of the holder. As the facility can only be converted to equity at the end of the term or earlier, it has been recognised in equity only, with no liability component.

**1.14. Revenue**

Revenue represents the consultancy fees for investment advisory services provided to clients.

To determine whether to recognise revenue, the Group follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised when the Group satisfies performance obligations upon the completion of the services to its customers. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**1.14. Other income**

Other income is derived from recharging to investee companies' certain costs associated with the investment process or recharging for the use of the Company's own resources. It is classified as other income on the face of the income statement and is recognised when the Company's right to receive payment is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. Accounting policies (continued)**

**1.15. Interest income**

Interest on debt securities held at fair value through profit and loss is accrued on a time proportionate basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts over the expected life of the debt security to its net carrying amount on initial recognition. Interest income is recognised gross of withholding tax, if any.

Interest income on unquoted debt securities is recognised as a separate line item in the statement of comprehensive income and classified within investing activities in the cash flows statement.

**1.16. Interest payable**

Interest payable on both quoted and unquoted debt instruments held at fair value through profit and loss is accrued on a time proportionate basis, by reference to the principal outstanding and the effective interest rate applicable.

In the case of interest payable on long-term bonds, where a proportion of those bonds is issued to third parties and the balance issued to the Company, interest on the total number of bonds issued must be paid in the first instance to the Paying Agent prior to the due date. The amount of interest relating to the bonds issued to the Company is then remitted back to the Company on the due date. Only the net interest burden (the total interest less the amount remitted back to the Company) is recognised in the income statement.

**1.17. Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period and is the amount of income tax payable in respect of the taxable profit for the year or prior year.

Deferred tax is recognised on all timing difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. Accounting policies (continued)**

**1.18. Segmental reporting**

An operating segment is a component of the Group that engages in business activity from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with and of the Group's other components. All operating segments' operating results, for which discrete financial information is available, are reviewed regularly by the Group's Board to make decisions about resources to be allocated to the segment and assess its performance. The Group reports on a two segment basis: holding company expenses and corporate advisory services.

**2. Critical accounting estimates and judgements**

Management makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical estimates in applying the entity's accounting policies

(a) Carrying value of investments

The Company is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required.

It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the fair value of their investment represents their cost less impairment.

Further details relating to management's assessment of the carrying value of unlisted investments can be found in the Strategic Report and Note 17. Following the valuation exercise undertaken in relation to the Company's unlisted investments categorised at level 3 of the Fair Value Hierarchy, a fair value loss of £14.6m (2022: £2.7m gain) was reported in the Consolidated Statement of Comprehensive Income in relation to the 1AF2 Bonds.

(b) Carrying value of bonds

During the year the Company carried out a conversion of its bond liabilities to equity (See Note 19) and a restructuring in the prior year. As part of the Bond conversion and restructuring exercises a discounted cash flow analysis was undertaken against the debt facility, calculating the present value of revised cash flows at the original effective interest rate. As part of the review a modification loss was recognised in the Consolidated Income Statement of £0.33m (2022: £1.78m gain) which increased the value of the bond liability by the same amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**2. Critical accounting estimates and judgements (continued)**

(c) Impairment reviews of goodwill and investments in subsidiaries

The key assumptions used by management for the discounted cashflow analysis undertaken on the Innovative Finance srl forecasts used for the impairment review for the year ended 31 December 2023 were as follows:

- Terminal growth rate 3%
- Cost of capital 17%
- Four year forecast period
- 33% -75% downturn in forecast revenue

Management used its knowledge of Innovative Finance srl's business model and industry to make an assessment of the key inputs used in the impairment review. When assessing this year's projections management also took into account the current economic environment and the future global outlook which is very different to the position on acquisition primarily due to the status of the investment market and the future outlook. Investment capital has become harder to source which has had a braking effect on the completion rate of deals and therefore on the number of flotations and other financing deals that Innovative Finance S.r.l. had in its business plan on acquisition. Managements assumptions and forecasts have been impacted by the current global economic climate which has deteriorated.

An impairment of £2.71m was assessed for the year ended 31 December 2023 (2022: £1.15m) in relation to the combined forecast performance of Innovative Finance SRL and Epsilon Capital Limited.

In the Company an impairment loss of £2.66m was assessed for the year ended 31 December 2023 (2022: £1.15m) in relation to the valued of Innovative Finance SRL.

(d) Going concern

At 28 June 2024, the Group had cash balances of approximately £60k and contractually agreed receivables over the next 12 months of circa £0.75 million. In addition, during the same period it expects to receive funds from the expiry and repayment of principal of the 1AF2 bond which for the purposes of evaluating Going Concern, has been conservatively estimated as a minimum cash-inflow of £1.7m.

In July 2024, Eight Capital Partners plc (ECP) is due to be repaid more than £30m when the 1AF2 bond matures. Of the £30m falling due for repayment, taking the entirety of the security package into consideration, almost £15m was covered by listed investments as at 31 December 2023. This figure reduces to £13.5m when discounted back to the 2023 year end from the July 2024 settlement date. At the date of this report the board noted that the value of the security package of listed investments had reduced to approximately £4.0m (based on closing share price as of 28 June 2024). The board also notes the temporary suspension of Regtech Open Project (RTOP) shares on 28 June 2024 on the London Stock Exchange. Since the RTOP shares formed £4.3m of the 1AF2 bond security package at year end, this temporary suspension will impact the Company's ability to liquidate the shares in the security package. However, the Company will be able to liquidate the Supply@Me shares within the security package, valued at £2.3m at 28 June 2024. The board also noted that as at 31 March 2024 the group providing the security package, The AvantGarde Group S.p.A (TAG), had declared in its security package valuation update a combined value of privately held assets and public securities of over €67m. There are ongoing conversations with TAG's sole director Alessandro Zamboni regarding the expiry of the 1AF2 bond, who recognises the obligation to fully repay the bond.

The Company is also aware that TAG and its director operate with a diverse group of investors that are involved with a number of public and private businesses that have the potential to provide them with cash, and whilst this provides no guarantee of payment of the 1AF2 bond, the board feels that such connections

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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2. Critical accounting estimates and judgements (continued) (d) Going Concern (continued)

further strengthen the Company's overall position in terms of future bond principal repayments. These items together provides the board with confidence that there will be cash and other liquid assets forthcoming from TAG and the Company's other operating activities, to provide sufficient working capital for ECP for at least the next 12 months.

The Group's funding requirements (costs plus current creditors, offset by fees to be earned from the opportunities in the sales pipeline) are not expected to exceed £1.4 million in the next 12 months. The Group plans to fund the forecasted cash outflow requirements through existing cash resources, contractual receivables, and the estimated cash inflows from the repayments of 1AF2 bond principal. At the time of this note there is no capex committed.

The Directors are therefore of the opinion that the Group has adequate financial resources to enable it to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

3. Restatement of prior period Consolidated Statement of Profit or Loss and Other Comprehensive Income

During the year under review, the Directors elected to change the basis of reporting the Consolidated Statement of Profit or Loss and Other Comprehensive Income from by function to by nature as they considered that this methodology more appropriately represented the Group's business model.

In addition, goodwill amortisation had been included within Net change in unrealised/realised gains and losses on investments at fair value through profit or loss in the prior period and this was split out into a separate line to align with the reporting in the current year.

A summary of the changes made is set out below:

	As previously disclosed 2022 £000	As restated 2022 £000	Change £000
<b>Revenue</b>	895	895	-
Cost of Sales	(8)	-	8
<b>Gross profit</b>	<b>887</b>	-	<b>8</b>
Other operating income	84	84	-
Administrative expenses	(1,111)	-	1,111
Foreign exchange gain	-	259	259
General expenses	-	(358)	(358)
Legal and professional fees	-	(420)	(420)
Rent and rates	-	(107)	(107)
Staff costs	-	(493)	(493)
Net change in unrealised/realised gains and losses on investments at fair value through profit or loss	1,488	2,638	1,150
Goodwill amortisation	-	(1,150)	(1,150)
Net gains on fair value through profit or loss	1,311	1,311	-
<b>Profit from operations</b>	<b>2,659</b>	<b>2,659</b>	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**4. Segmental analysis**

The Directors are of the opinion that under IFRS 8 – “Segmental Information” the Group operated in two primary business segments in 2023 being holding company expenses and corporate advisory services. The secondary segment is geographic. The Group’s losses and net assets by primary business segments are shown below.

**Segmentation by continuing business:**

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
<b>Profit / (Loss) before income tax</b>		
Holding company	<b>(18,030)</b>	<i>4,158</i>
Corporate advisory services	<b>(916)</b>	<i>480</i>
	<b><u>(18,946)</u></b>	<i><u>4,638</u></i>
<b>Net assets</b>		
Holding company	<b>13,340</b>	<i>24,923</i>
Corporate advisory services	<b><u>(545)</u></b>	<i><u>360</u></i>

**Segmentation by geographical area:**

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
<b>Revenue from external customers</b>		
United Kingdom	<b>489</b>	<i>858</i>
Italy	<b>-</b>	<i>41</i>
Other	<b>113</b>	<i>(4)</i>
	<b><u>602</u></b>	<i><u>895</u></i>
<b>Profit / (Loss) before income tax</b>		
United Kingdom	<b>(18,646)</b>	<i>4,637</i>
Italy	<b>(300)</b>	<i>1</i>
	<b><u>(18,946)</u></b>	<i><u>4,638</u></i>
<b>Net assets / (liabilities)</b>		
United Kingdom	<b>13,027</b>	<i>25,227</i>
Italy	<b>(232)</b>	<i>56</i>
	<b><u>12,795</u></b>	<i><u>25,283</u></i>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**5. Revenue**

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
<b>Group</b>		
Revenue from external customers	<b>602</b>	<i>895</i>
	<u><b>602</b></u>	<u><i>895</i></u>

Revenue represents the consultancy fees for investment advisory services provided to clients.

**6. Expenses**

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
<b>Group</b>		
Corporate advisory fees	<b>599</b>	<i>-</i>
Foreign exchange losses / (gains)	<b>244</b>	<i>(259)</i>
General expenses	<b>402</b>	<i>358</i>
Legal and professional fees	<b>355</b>	<i>420</i>
Rent and rates	<b>84</b>	<i>107</i>
Staff costs	<b>335</b>	<i>493</i>
	<u><b>2,019</b></u>	<u><i>1,119</i></u>

General expenses comprise a variety of costs including business development, stock exchange costs, commission, consulting fees, and travel costs.

**7. Other income**

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
<b>Group</b>		
Other income	<b>40</b>	<i>84</i>
	<u><b>40</b></u>	<u><i>84</i></u>

Other income comprises fees for management services provided to third party investees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

8. Auditor remuneration

	2023 £000	2022 £000
<b>Group</b>		
Auditors remuneration:		
- Audit fees	75	45
- Non-audit services	-	-
	<u>75</u>	<u>45</u>

9. Staff costs

	2023	2022
<b>Group</b>		
The average number of persons (including executive directors) employed by the Group during the year	8	6
	2023 £000	2022 £000
Wages and salaries	81	173
Directors' fees	246	333
Social security costs	4	6
Other	4	2
	<u>335</u>	<u>514</u>
<b>Company</b>		
Wages and salaries	31	-
Director fees	105	230
Social security	5	18
Other	-	22
	<u>141</u>	<u>270</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Interest income and expense

	2023 £000	2022 £000
<b>Group</b>		
<b>Finance income</b>		
Interest income on 1AF2 Bond	<u>874</u>	<u>876</u>
	<u>874</u>	<u>876</u>
<b>Finance costs</b>		
Other finance expenses	(277)	(677)
Debt modification (loss) / reversal	<u>(333)</u>	<u>1,780</u>
	<u>(610)</u>	<u>1,103</u>

Other finance expenses and the debt modification (loss) / reversal relate to the net interest burden and modification adjustment on restructuring to the Company of the 7% and the 4.8% bonds issued by the Company on the Vienna Stock exchange during 2019, 2021, 2022 and 2023 respectively and described more fully in Note 20 below.

11. Income tax

**Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 December 2023 nor for the year ended 31 December 2022.

**Factors affecting the tax expense / (credit)**

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

	2023 £000	2022 £000
Loss before income tax	<u>(18,946)</u>	<u>4,638</u>
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%)	(4,737)	881
Effects of:		
Net unrealised losses / gains on investments	4,458	(533)
Disallowed expenses	4	40
Losses carried forward for year	275	(388)
	<u>-</u>	<u>-</u>

The Company has tax losses of approximately £2,765,000 (2022: £2,490,367) to carry forward against future profits. The Directors have not recognised a deferred tax asset on the losses to date due to the uncertainty of recovery.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

11. Income tax (continued)

**Factors that may affect future tax charges**

The UK corporation tax at the standard rate for the year is 25.0% (2022: 19.0%).

12. Earnings per share

(i) Basic earnings per share

	2023 Pence	2022 Pence
From continuing operations attributable to the ordinary equity holders of the Company	(0.01)	0.02
<b>Total basic earnings per share attributable to the ordinary equity holders of the Company</b>	<u><u>(0.01)</u></u>	<u><u>0.02</u></u>

(ii) Weighted average number of shares used as the denominator

	2023 Number	2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	169,533,235,805	19,290,857,985
<b>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</b>	<u><u>169,533,235,805</u></u>	<u><u>19,290,857,985</u></u>

13. Investments in subsidiaries

Company

	Shares in group undertakings
<b>Cost</b>	<b>£000</b>
<b>At 1 January 2022</b>	<u>3,810</u>
Impairment of Innovative Finance S.r.l	<u>(1,151)</u>
At 31 December 2022	<u>2,659</u>
Impairment of Innovative Finance S.r.l and Epsilon Capital Limited	<u>(2,659)</u>
At 31 December 2023	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

13. Investments in subsidiaries (continued)

At 31 December 2023, the Group consisted of a parent company, Eight Capital Partners plc, registered in England and Wales and its two wholly owned subsidiaries.

**Subsidiaries**

**Epsilon Capital Limited**

Registered Office: 8-10 Hill Street, London, United Kingdom, W1J 5NG

Nature of business: Financial intermediation.

<u>Class of shares</u>	<u>% holding</u>	
<u>Ordinary shares</u>	<u>100 (2022:100)</u>	
	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Aggregate capital and reserves	<b>(313)</b>	246

The Company has guaranteed all outstanding liabilities of the subsidiary company as at 31 December 2023, this provides the subsidiary company with an exemption from audit under Section 479A of the Companies Act 2006.

**Innovative Finance S.r.l**

Registered Office: Via Turati 26 20121 Milano Italy

Nature of business: Financial Advisory

<u>Class of shares</u>	<u>% holding</u>	
<u>Ordinary shares</u>	<u>100 (2022: 100)</u>	
	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Aggregate capital and reserves	<b>(232)</b>	68

As at 31 December 2023 the Board assessed the investment value of the two subsidiaries based on current projections and took the decision to impair the value of the investment by £2.66m (2022: £1.15m). Current projections include an intention post year end to transfer the Innovative Finance S.r.l business into Epsilon Capital and to dissolve Innovative Finance S.r.l.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**14. Goodwill****Group**

<b>Cost</b>	<b>£</b>
<b>At 1 January 2022</b>	<u>3,867</u>
Impairment of goodwill in relation to Innovative Finance S.r.l	<u>(1,150)</u>
At 31 December 2022	<u>2,717</u>
Impairment of goodwill in relation to Innovative Finance S.r.l and Epsilon Capital Ltd	<u>(2,717)</u>
At 31 December 2023	<u>-</u>

The goodwill at 31 December 2023 represents the goodwill recognised at 1 July 2021, being the purchase of the Company's subsidiary companies Epsilon Capital Limited and Innovative Finance srl. less impairment to date.

The goodwill is not amortised but is reviewed on an annual basis for impairment, or more frequently if there are indications that goodwill might be impaired. The impairment review comprises a comparison of the carrying amount of the goodwill with its recoverable amount (the higher of fair value less costs to sell and value in use).

The key assumptions used by management for the discounted cashflow analysis undertaken on the Innovative Finance srl forecasts used for the impairment review for the year ended 31 December 2023 were as follows:

- Terminal growth rate 3%
- Cost of capital 16.5%
- Four year forecast period
- 33% - 75% downturn in project revenue and other annual revenues, total effect across the forecast period of €1.46m.

Management used its knowledge of Innovative Finance srl's business model and industry in relation to the key inputs used in the impairment review. When assessing this year's projections management also took into account the current economic environment and the future global outlook which is very different to the position on acquisition primarily due to the status of the investment market and the future outlook. Investment capital has become harder to source which has had a braking effect on the completion rate of deals and therefore on the number of flotations and other financing deals that Innovative Finance S.r.l. had in its business plan on acquisition. Managements assumptions and forecasts have been impacted by the current global economic climate which has deteriorated.

An impairment of £2.72m was assessed for the year ended 31 December 2023 (2022: £1.15m) in relation to the combined forecast performance of Innovative Finance SRL and Epsilon Capital Limited .

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**15. Property, plant and equipment****Group**

	<b>Furniture and Equipment £000</b>
<b>Cost or valuation</b>	
<b>At 1 January 2022</b>	25
Disposals	(1)
<b>At 31 December 2022 and 2023</b>	<b>24</b>
	<b>£000</b>
<b>Accumulated depreciation and impairment</b>	
<b>At 1 January 2022 and 2023</b>	2
Charge for year	7
<b>At 31 December 2023</b>	<b>9</b>
<b>Net book value</b>	
At 31 December 2022	22
At 31 December 2023	15
<b>Company</b>	
<b>Cost and Net book value</b>	
At 1 January 2022 and 2023	3
<b>At 31 December 2022 and 2023</b>	<b>3</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**16. Intangible assets****Group**

	<b>Goodwill £000</b>	<b>Computer software £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 January 2022, 31 December 2022 and 31 December 2023	<u>3,867</u>	<u>13</u>	<u>3,880</u>
	<b>Goodwill £000</b>	<b>Computer software £000</b>	<b>Total £000</b>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2022	-	-	-
Charge for the year - owned	-	2	2
Impairment charge	1,150	-	1,150
At 31 December 2022	<u>1,150</u>	<u>2</u>	<u>1,152</u>
Charge for the year - owned	-	11	11
Impairment charge	2,717	-	2,717
<b>At 31 December 2023</b>	<b><u>3,867</u></b>	<b><u>13</u></b>	<b><u>3,880</u></b>
<b>Net book value</b>			
At 1 January 2022	3,867	13	3,880
At 31 December 2022	2,717	11	2,728
At 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**17. Current asset investments**

The table below sets out the fair value measurements. Categorisation has been determined on the basis of listed or unlisted investments as follows:

<b>Group</b>	<b>Unlisted Investments £000</b>	<b>Listed Investments £000</b>	<b>Total £000</b>
<b>Fair value at 1 January 2022</b>	-	24,734	24,734
Fair value gain on listed investments	-	2,671	2,671
Foreign exchange adjustment	-	1,380	1,380
<b>Fair value at 31 December 2022</b>	<u>-</u>	<u>28,785</u>	<u>28,785</u>
Additions	-	810	810
Disposals	-	(26)	(26)
Fair value loss on investments	-	(14,562)	(14,562)
Foreign exchange adjustment	-	(490)	(490)
<b>Fair value at 31 December 2023</b>	<u>-</u>	<u>14,517</u>	<u>14,517</u>
<b>Gains / (losses) on investments held at fair value through profit or loss</b>			
<b>Year end 31 December 2022</b>			
Fair value adjustment	<u>(33)</u>	<u>2,671</u>	<u>2,638</u>
<b>Net gain / (loss) on investments held at fair value through profit or loss</b>	<u>(33)</u>	<u>2,671</u>	<u>2,638</u>
<b>Year end 31 December 2023</b>			
Fair value adjustment	<u>-</u>	<u>(14,562)</u>	<u>(14,562)</u>
<b>Net loss on investments held at fair value through profit or loss</b>	<u>-</u>	<u>(14,562)</u>	<u>(14,562)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

17. Current asset investments (continued)

Company	Unlisted Investments £000	Listed Investments £000	Total £000
<b>Fair value at 1 January 2022</b>	-	24,734	24,734
Fair value gain on listed investments	-	2,671	2,671
Foreign exchange adjustment	-	1,380	1,380
<b>Fair value at 31 December 2022</b>	<u>-</u>	<u>28,785</u>	<u>28,785</u>
Disposals	-	(26)	(26)
Fair value loss on investments	-	(14,188)	(14,188)
Foreign exchange adjustment	-	(489)	(489)
<b>Fair value at 31 December 2023</b>	<u>-</u>	<u>14,082</u>	<u>14,082</u>
<b>Gains / (losses) on investments held at fair value through profit or loss</b>			
<b>Year end 31 December 2022</b>			
Fair value adjustment	<u>(33)</u>	<u>2,671</u>	<u>2,638</u>
<b>Net gain / (loss) on investments held at fair value through profit or loss</b>	<u>(33)</u>	<u>2,671</u>	<u>2,638</u>
<b>Year end 31 December 2023</b>			
Fair value adjustment	<u>-</u>	<u>(14,188)</u>	<u>(14,188)</u>
<b>Net loss on investments held at fair value through profit or loss</b>	<u>-</u>	<u>(14,188)</u>	<u>(14,188)</u>

**Fair value measurement**

The table below sets out the fair value measurements using the fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

There were no transfers between categories during the period.



## EIGHT CAPITAL PARTNERS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 17. Current asset investments (continued)

Group	2023 £000	2022 £000
Categorised as		
Level 1 - quoted investments	574	778
Level 2 - unquoted investments valued using quoted prices	-	-
Level 3 - unquoted investments and illiquid quoted investments	13,943	28,007
	<b>14,517</b>	<b>28,785</b>
Company	2023 £000	2022 £000
Categorised as		
Level 1 - quoted investments	574	778
Level 2 - unquoted investments valued using quoted prices	-	-
Level 3 - unquoted investments and illiquid quoted investments	13,508	28,007
	<b>14,082</b>	<b>28,785</b>

#### Level 1 Underlying securities valuation methodology

Quoted shares of £574k (2022: £778k) were priced by the mid-point share price as at the reporting date.

Post year end the quoted shares were valued at £175k at 25 June 2024.

#### Level 3 Valuation Methodology

Unquoted investments of £13,943k (2022: £28,007k), were valued based on management's estimate of the expected cash flows from the underlying quoted security package investments discounted using a Weighted Average Cost of Capital ('WACC').

The unquoted investments are part of a bond issuance of €73,050k. Securities Pledged for the bond issuance is a mixture of quoted and unquoted shares and the fair value of these were assessed at €15,534k at year end (2022: €78,307k). The securities pledged can be called upon in the event of failure of the listed investment not performing. In this context performing means paying interest within a period of when it falls due and repaying the principal at maturity. The securities pledged for the total security package include unquoted shares valued at €7,000k (2022: €73,347k) which have been included at nil value in the year end fair value assessment. The value of quoted shares fell significantly in the period since one of the underlying private companies, RegTech Open Project Plc, was listed in London and the resulting value of the public company, although initially growing post listing, subsequently fell significantly. The lower listed value of this company is therefore now part of the security package valuation. As at 25 June 2024 the value of the quoted securities was €4.36m.

The WACC included the following elements:

**Risk-free rate**– calculated as the 12 months weighted average value of the 10 Year US Government Bond.

**Equity risk premium**- sourced from Ashwath Damodaran, a Professor of Finance at the Stern School of Business at New York University who is recognised as a provider of comprehensive data for valuation purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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17. **Current asset investments (continued)**

**Beta**– calculated as the median of the betas (2 years, weekly) observed in a panel of comparable listed companies operating in the regulatory and ICT industry.

**Small size premium**– in order to take into account the different size of the Company compared to the Comparable.

**Execution risk premium**– in order to reflect the risk related to the projections.

**Country risk premium**– reflecting the risk related to the main regional areas where the company operates.

**Cost of debt**– equal to the sum of risk-free rate, the spread resulting from the S&P credit spreads of the comparable and the Italian default spread.

Tax rate – equal to the Italian corporate tax rate of 15.9% (2022:15.9%).

Inflation rate - WACC was converted from USD to EUR by using the inflation rates in both jurisdictions.

Each scenario produced a different WACC, ranging from 16.1% to 17.5% (2022: 14.5% to 16.8%).

Long Term Growth Rate ('LTGR') was prudently set at 1.5% (2022: 1.5%).

Using a range of WACC rates and applying the DCF method, the resulting valuations were between €15.5m and €15.6m (2022: €40.0m and €65.0m). The mid-range was taken as the average.

Summaries of the unobservable inputs used in the WACC calculations and sensitivity analysis for 2023 and 2022 are set out on the following pages.

## EIGHT CAPITAL PARTNERS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 17. Current asset investments (continued)

<b>2023</b>	<b>Scenario</b>			
	<b>Base</b>	<b>1</b>	<b>2</b>	<b>3</b>
Risk Free Rate	5.3%	5.3%	5.3%	5.3%
Market Risk Premium	5.5%	5.5%	5.5%	5.5%
Beta Unlevered	1.06	1.06	1.06	1.06
D/E Target	1.0%	1.0%	1.0%	1.0%
Tax Rate	15.9%	15.9%	15.9%	15.9%
Relevered Beta	1.07	1.07	1.07	1.07
Additional Risk Premium	5.2%	5.5%	6.0%	6.6%
Cost of Equity (Ke)	16.3%	16.6%	17.1%	17.7%
Base rate	5.3%	5.3%	5.3%	5.3%
Default spread	1.5%	1.5%	1.5%	1.5%
Spread	3.8%	3.8%	3.8%	3.8%
Gross cost of Debt	10.6%	10.6%	10.6%	10.6%
Tax rate	15.9%	15.9%	15.9%	15.9%
Net cost of Debt (Kd)	8.9%	8.9%	8.9%	8.9%
E/(E+D)	98.6%	98.6%	98.6%	98.6%
D/(E+D)	1.4%	1.4%	1.4%	1.4%
WACC (USD)	16.2%	16.5%	17.0%	17.6%
US inflation	4.1%	4.1%	4.1%	4.1%
WACC Real	11.7%	11.9%	12.4%	13.0%
EU inflation	4.0%	4.0%	4.0%	4.0%
WACC (EUR)	16.1%	16.4%	16.9%	17.5%

## EIGHT CAPITAL PARTNERS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 17. Current asset investments (continued)

<u>2022</u>	Scenario			
	Base	1	2	3
Risk Free Rate	3.4%	3.4%	3.4%	3.4%
Market Risk Premium	5.9%	5.9%	5.9%	5.9%
Beta Unlevered	1.06	1.06	1.06	1.06
D/E Target	1.0%	1.0%	1.0%	1.0%
Tax Rate	15.9%	15.9%	15.9%	15.9%
Relevered Beta	1.07	1.07	1.07	1.07
Additional Risk Premium	5.2%	6.2%	6.6%	7.5%
Cost of Equity (Ke)	14.9%	15.9%	16.3%	17.1%
Base rate	3.4%	3.4%	3.4%	3.4%
Default spread	1.5%	1.5%	1.5%	1.5%
Spread	3.8%	3.8%	3.8%	3.8%
Gross cost of Debt	8.7%	8.7%	8.7%	8.7%
Tax rate	15.9%	15.9%	15.9%	15.9%
Net cost of Debt (Kd)	7.3%	7.3%	7.3%	7.3%
E/(E+D)	98.6%	98.6%	98.6%	98.6%
D/(E+D)	1.4%	1.4%	1.4%	1.4%
WACC (USD)	14.7%	15.7%	16.0%	16.9%
US inflation	2.0%	2.0%	2.0%	2.0%
WACC Real	12.5%	13.0%	13.5%	13.9%
EU inflation	1.9%	1.9%	1.9%	1.9%
WACC (EUR)	14.5%	15.5%	15.9%	16.8%

**EIGHT CAPITAL PARTNERS PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**18. Trade and other receivables**

	<b>2023</b> <b>£000</b> <b>GROUP</b>	<b>2023</b> <b>£000</b> <b>COMPANY</b>	<b>2022</b> <b>£000</b> <b>GROUP</b>	<b>2022</b> <b>£000</b> <b>COMPANY</b>
<b>Non-current</b>				
Other receivables	-	-	311	311
	<u>-</u>	<u>-</u>	<u>311</u>	<u>311</u>
<b>Current</b>				
Trade receivables	32	26	336	11
Other receivables	452	383	722	674
Prepayments	3	3	4	4
Intercompany	-	437	-	380
	<u>487</u>	<u>849</u>	<u>1,062</u>	<u>1,069</u>

The directors consider that the carrying amount of receivables is not materially different to their fair value.

The Intercompany receivable comprises £437k (2022: £380k) due from a subsidiary undertaking which is repayable on demand and which the Company expects to recover in full.

During the year other receivables totalling £554k comprising £163k accrued interest on the 1AF2 bond due in July 2024 and £391k in relation to the sale of Finance Partners Group due from The Avantgarde Group were impaired in full (2022: £nil). Both are due to be repaid post year end as part of the settlement of the 1AF2 bond and have been impaired in line with the treatment of the 1AF2 bond set out in note 17.

The remaining other receivables balance comprises accrued interest on the 1AF2 bond and part of the receivable relating to the sale of Finance Partners Group, both of which have been repaid post year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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19. Trade and other payables

	2023 £000	2023 £000	2022 £000	2022 £000
Current	GROUP	COMPANY	GROUP	COMPANY
Trade payables	946	343	209	165
Taxation and social security	163	2	41	1
Accruals and other payables	253	134	218	126
Intercompany	-	234	-	444
	<u>1,362</u>	<u>713</u>	<u>468</u>	<u>736</u>

The intercompany trade payables are interest free and repayable on demand.

20. Long-term Bonds

Group and Company	2023 £000	2022 £000
<b>Opening balance at 1 January</b>	<b>5,807</b>	17,866
4.8% bonds issued	1,352	4,274
4.8% bonds converted to share capital	(1,866)	(11,566)
7% bonds converted to share capital	(4,531)	(3,197)
Interest modification loss / (gain)	333	(1,780)
Foreign exchange gain / (loss)	(198)	210
<b>Closing balance at 31 December</b>	<u><b>897</b></u>	<u>5,807</u>

The Company launched 5,000 bonds of €1,000 each (the "7% Bonds") to raise up to €5 million on the Vienna Stock Exchange's multilateral trading facility ("MTF") on 26 July 2019. The principal terms of the Bonds were as follows: Issue price and redemption at par; Interest of 7% per annum paid semi-annually in arrears; Issue date of 26 July 2019 with a redemption date of 26 July 2022 (subsequently extended to 2026 -see below).

On 19 May 2022, the Company issued 5,000 7% Bonds of €1,000 (New 7% Bonds) each to various Bondholders, within the same issuing structure and on the same terms as the original 7% Bonds, bringing the total issuance to €10 million. In June 2022, the Bondholders approved the realignment of all the 7% bonds with the 4.8% bonds, whereby the maturity date was extended to 26 July 2026 and the coupon became 4.8% per annum, payable quarterly in arrears.

As part of the 1AF2 Bond vendor loan restructuring exercise in 2021 a discounted cash flow analysis was undertaken against the debt facility. As a result of the review, a modification loss was recognised in the Consolidated Income Statement of £1.88m. £1.35m of this loss reversed during the 2022 financial year when the debt facility was converted to share capital. This occurred in November 2022, when bonds with a total value of €13.37m were converted to share capital. A further discounted cashflow analysis was undertaken in 2022 in relation to the modification of the bonds in the year. As part of this analysis a modification gain of £0.65m was recognised in 2022. £0.22m of this gain reversed during the

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**20. Long-term Bonds (continued)**

2022 financial year when the debt facility was converted to share capital. This occurred in October and November 2022, when bonds with a total value of €3.7m were converted to share capital.

During the 2023 financial year, in September 2023, the bondholders approved the remaining unissued 7% bonds to be cancelled with the remaining €5.0m in issue of the original 7% bonds converted to share capital and €0.6m of 4.8% bonds including accrued interest. A total modification loss of £0.33m was recognised in 2023 (2022: £1.78m gain).

Bonds that are not issued to third parties remain as issued to the Company for future trading and only those that are issued to third parties are recognised as liabilities. At 31 December 2023 a total of 1,080 (2022: 6,975) 4.8% bonds representing a liability of €1,080,000 (2022: €6,975,000) had been issued to third parties and nil (2022: 1,010) Bonds with a par value of €nil (2022: €1,010,000) were issued to the Company and available to be traded.

**21. Liability for Contingent Consideration**

	<b>Group 2023 £000</b>	<b>Company 2023 £000</b>	<i>Group 2022 £000</i>	<i>Company 2022 £000</i>
At 1 January	-	-	1,311	1,311
Fair value adjustment	-	-	(1,311)	(1,311)
	-	-	-	-

A provision for contingent consideration pursuant to the acquisition of Innovative Finance Srl (InnFin) was established whereby if InnFin achieved certain annual levels of EBITDA over the three financial years ending post the acquisition date, further consideration for the acquisition would become due. After reviewing the forecasts for InnFin (see note 13), the Directors assessed that the likelihood of any further consideration becoming payable were remote and accordingly the remaining provision was released to profit or loss during the 2022 financial year.

**EIGHT CAPITAL PARTNERS PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**22. Share capital**

**Authorised**

	<b>2023 Number</b>	<b>2023 £000</b>	<i>2022 Number</i>	<i>2022 £000</i>
<b>Shares treated as equity</b>				
Ordinary Shares of £0.0001 each	<b>187,451,702,503</b>	<b>18,745</b>	<i>161,873,969,648</i>	<i>16,187</i>
Deferred Shares of £0.0024 each	<b>540,166,760</b>	<b>1,297</b>	<i>540,166,760</i>	<i>1,297</i>
	<u><b>187,991,869,263</b></u>	<u><b>20,042</b></u>	<u><i>162,414,136,408</i></u>	<u><i>17,484</i></u>

**Issued and fully paid**

	<b>2023 Number</b>	<b>2023 £000</b>	<i>2022 Number</i>	<i>2022 £000</i>
<b>Ordinary Shares of £0.0001 each</b>				
At 1 January	<b>161,873,969,648</b>	<b>16,187</b>	<i>1,564,315,462</i>	<i>156</i>
Shares issued	<b>25,577,732,855</b>	<b>2,558</b>	<i>160,309,654,186</i>	<i>16,031</i>
<b>At 31 December</b>	<u><b>187,451,702,503</b></u>	<u><b>18,745</b></u>	<u><i>161,873,969,648</i></u>	<u><i>16,187</i></u>

On 18 October 2022, the Company issued 14,081,196,580 ordinary shares to IWEP Ltd (subsequently transferred to Trumar LLC) in conversion of £2,816,239 of debt and bonds into equity.

On 24 November 2022, the Company issued 146,228,457,606 new ordinary shares of which 143,486,668,446 ordinary shares were issued to Trumar LLC on conversion of £29,245,692 of debt and bonds.

On 8 September 2023, the Company issued 25,577,732,855 new ordinary shares for £6,458,000 of which 7,417,592,007 ordinary shares were issued to Trumar LLC on conversion of £1,872,942 of debt and bonds.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**22. Share capital (continued)**

	<b>2023 Number</b>	<b>2023 £000</b>	<i>2022 Number</i>	<i>2022 £000</i>
<b>Deferred Shares of £0.0024 each</b>				
At 1 January	<b>540,166,760</b>	<b>1,297</b>	<i>540,166,760</i>	<i>1,297</i>
	<b><u>540,166,760</u></b>	<b><u>1,297</u></b>	<i><u>540,166,760</u></i>	<i><u>1,297</u></i>
<b>At 31 December</b>				

The deferred shares do not entitle their holders to receive notice of or to attend or vote at any general meeting of the Company, or to receive any dividend or other distribution. On a return of capital on a winding up or dissolution of the Company, the holders of the deferred shares shall be entitled to receive an amount equal to the nominal amount paid up thereon, but only after the holders of new ordinary shares have received £100,000 per new ordinary share.

The holders of deferred shares are not entitled to any further right of participation in the assets of the Company. The Company shall have the right to purchase the deferred shares in issue at any time for no consideration. As such, the deferred shares effectively have no value. Share certificates were not issued in respect of the deferred shares, and they have not been admitted to trading on the Aquis Stock Exchange Growth Market.

**23. Reserves**

The Company's reserves are as follows:

**Share premium**

Represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

**Convertible debt option reserve**

Represents the equity component of convertible bonds issued by the Company.

**Foreign exchange reserve**

Reserve arising from the translation of foreign subsidiaries at consolidation.

**Other reserves**

The share option and warrant reserve arise from the requirement to value share options and warrants in existence at the grant date.

**Retained earnings**

Include all current and prior period results as disclosed in the statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

24. Financial Instruments

The Board of Directors attribute great importance to professional risk management, proper understanding and negotiation of appropriate terms and conditions and active monitoring, including a thorough analysis of reports and financial statements and ongoing review of investments made.

The Group has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The Board of Directors review and agrees policies for managing the risks as summarised below.

The Group has exposures to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
  - Interest rate risk
  - Currency risk
  - Price risk

The Group's overall risk management process focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group has no interest rate derivative financial instruments (2022: none).

The carrying values of the Group's financial assets and liabilities are summarised by category below:

	<b>Group 2023 £000</b>	<b>Company 2023 £000</b>	<i>Group 2022 £000</i>	<i>Company 2022 £000</i>
<b>Financial assets</b>				
<i>Measured at fair value through profit and loss</i>				
Current asset investments (note 17)	<b>14,517</b>	<b>14,082</b>	28,785	28,785
<i>Measured at amortised cost</i>				
Other receivables (note 18)	<b>484</b>	<b>849</b>	1,373	1,000
<b>Financial liabilities</b>				
<i>Measured at amortised cost</i>				
Loans and borrowings	-	-	1,372	1,366
Trade payables	<b>946</b>	<b>343</b>	209	609
Other payables	<b>253</b>	<b>370</b>	259	128

The Company's income, expense, gains and losses in respect of financial instruments are summarised below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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24. Financial Instruments (continued)

	Note	Group 2023 £000	Company 2023 £000	Group 2022 £000	Company 2022 £000
<b>Interest expense</b>					
Total interest expense for financial liabilities	10	277	277	677	677
Modification loss / (gain)	10	333	333	(1,780)	(1,780)
		<u>610</u>	<u>610</u>	<u>(1,103)</u>	<u>(1,103)</u>
<b>Net change in unrealised/realised gains and losses on investments at fair value through profit or loss</b>					
On listed investments measured at fair value through profit and loss	17	(14,562)	(14,188)	2,671	2,671
On unlisted investments measured at fair value through profit and loss	17	-	-	(33)	(9)
Impairment of subsidiaries	13	-	(2,659)	-	(1,151)
		<u>(14,562)</u>	<u>(16,847)</u>	<u>2,638</u>	<u>1,511</u>
<b>Net (losses) / gains on amortised cost through profit and loss</b>					
On contingent liabilities	21	-	-	1,311	1,311
On impairment of other receivables	18	(554)	(554)	-	-
		<u>(554)</u>	<u>(554)</u>	<u>1,311</u>	<u>1,311</u>

**Securities pledged**

Included in investments (note 16) are unquoted investments of £13,943k (2022: £28,007k) and these are part of a bond issuance of €73,050k. Securities pledged for the bond issuance are a mixture of quoted and unquoted shares and these were valued at €15,534 (2022: €78,307k). The securities pledged can be called upon in the event of failure of the listed Investment performing. In this context performing means paying interest within a period of when it falls due and repaying the principal at maturity.

The securities pledged include unquoted shares valued at €nil (2022: €73,347k). The valuation methodology is explained in note 17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**24. Financial Instruments (continued)**

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on its investments and cash. In accordance with the Company's policy, the Board of Directors monitors the Company's exposure to credit risk on an ongoing basis. The credit quality of the underlying securities pledged are monitored regularly and the trustee (White Amba Ltd) has the right to request a valuation on an annual basis or at such times that maybe necessary.

The Company only deposits its cash with major banking institutions. The risk is therefore considered to be limited.

**Liquidity risk**

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least 30 days. The majority of the investments held by the Company are quoted and not subject to specific restrictions on transferability or disposal. However, the risk exists that the Company might not be able to readily dispose of its holdings in such markets at the time of its choosing and also that the price attained on a disposal may be below the amount at which such investments were included in the Company's balance sheet.

**Underlying price risk of securities pledged arises primarily from quoted and unquoted equity.**

A 10% change in the price of the underlying securities has a €1.6m (2022: nil on the statement of comprehensive income and statement of financial position). A 20% change in the price would have an effect in the market price and would have been approximately €3.2m (2022: €1.45m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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24. Financial Instruments (continued)

Group	Less than 1 year £000	Between 1 and 4 years £000	5 years and greater £000
<b>At 31 December 2023</b>			
<u>Long term</u>			
Borrowings	-	-	-
Long term bond	-	897	-
<u>Short term</u>			
Borrowings	-	-	-
Trade and other payables	1,362	-	-
 31 December 2022			
<u>Long term</u>			
Borrowings	-	-	402
Long term bond	-	5,807	-
<u>Short term</u>			
Borrowings	970	-	-
Trade and other payables	468	-	-

During the year short term borrowings of £970k (2022: £20,410) and long term borrowings of £402k (2022: £149k) were converted into share capital. The short term and long term borrowings are interest free. The short term borrowings are repayable on demand, the long term borrowings repayment terms were more than five years from the balance sheet date.

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24. Financial Instruments (continued)

Company	Less than 1 year £000	Between 1 and 4 years £000	5 years and greater £000
<b>At 31 December 2023</b>			
<u>Long term</u>			
Long term bond	-	764	-
<u>Short term</u>			
Borrowings	-	-	-
Trade and other payables	713	-	-
31 December 2022			
<u>Long term</u>			
Borrowings	-	-	396
Long term bond	-	5,807	-
<u>Short term</u>			
Borrowings	970	-	-
Trade and other payables	736	-	-

Included in long term borrowings are amounts due to Dominic White of £nil (2022: £105,000).

During the year short term borrowings of £970k (2022: £20,410) and long term borrowings of £402k (2022: £149k) were converted into share capital. The short term and long term borrowings are interest free. The short term borrowings are repayable on demand, the long term borrowings repayment terms were more than five years from the balance sheet date.

**Market risk**

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company's sensitivity to these items is set out below.

a) Interest rate risk

The Company holds quoted debt securities at fixed rates of interest and is therefore exposed to interest rate risk. The impact of an increase or decrease on interest rates of 100 basis points on cash and deposits, based on the closing balance sheet position over a 12-month period, is considered immaterial.

b) Interest rate risk (continued)

In addition, the Company has indirect exposure to interest rates through changes to the financial performance and valuation in equity investments in the companies that have issued debt caused by interest rate fluctuations. Short term receivables and payables are excluded as the risks due to fluctuation in the prevailing levels of market interest rates associated with these instruments are not significant and is limited to the Company's investments.

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**24. Financial Instruments (continued)**

c) Currency risk

At year end the Company held Euro denominated investments to the total of €17.03m, and total Euro denominated liabilities of €1.08m, a net Euro asset position of €15.95m which expose the Company to the risk that the exchange rate of the Euro against the pound will change in a manner which adversely impacts the Company's net profit and net assets attributable to shareholders. A 10% increase in the Euro exchange rate against the pound would result in an increase in fair value of the net assets position of approximately £1.26m. A 10% decrease in exchange rates against the pound would reduce net assets by approximately £1.54m.

d) Price risk

The Company's management of price risk, which arises primarily from quoted and unquoted equity and debt instruments, is through the selection of financial assets within specified limits as approved by the Board of Directors.

For quoted equity securities, the market risk variable is deemed to be the market price itself. A 10% change in the price of those investments would have a direct impact on the statement of comprehensive income and statement of financial position. At 31 December 2023, the effect of such a change in market price would have been approximately £57,000 (2022: £78,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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25. Cash to net debt reconciliation

	<b>Group 2023 £000</b>	<i>Group 2022 £000</i>	<b>Company 2023 £000</b>	<i>Company 2022 £000</i>
<b>Cash and cash equivalents</b>				
Cash	35	22	27	5
<b>Net cash and cash equivalents</b>	<b>35</b>	22	<b>27</b>	5
<b>Net debt</b>				
Non-current loans and borrowings	-	(402)	-	(396)
Long term bond	(897)	(5,807)	(897)	(5,807)
Current loans and borrowings	-	(970)	-	(970)
<b>Total debt</b>	<b>(897)</b>	(7,179)	<b>(897)</b>	(7,173)
Net cash and cash equivalents	35	22	27	5
<b>Net debt</b>	<b>(862)</b>	(7,157)	<b>(870)</b>	(7,168)
<b>Reconciliation of net debt</b>				
Net debt at 1 January	(7,157)	(39,687)	(7,168)	(39,503)
Cash flows	(53)	469	(50)	235
Bonds issued	(1,352)	-	(1,352)	-
Conversion to equity	7,705	32,061	7,705	32,100
Foreign exchange movement	(110)	-	(110)	-
Other non-cash movements	105	-	105	-
<b>Net debt at 31 December</b>	<b>(862)</b>	(7,157)	<b>(870)</b>	(7,168)



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**26. Related party transactions**

*Administrative services*

During the year, the Company was invoiced £13,200 (2022: £21,400) for administrative services provided by Marker Management Services Ltd, a company controlled by Martin Groak, a director of Eight Capital.

*Income*

During the year, the Group received income from entities connected to the Company's Chairman, Dominic White. £457,000 (2022: £580,000) was received from Sifal Limited (formerly Dispensa Group Plc) £nil (2022: £17,699) from Bella Dispensa SRL and £nil (2022: £22,550) from Maximum Return Systems Ltd.

In the prior year, the Group received income from entities connected to the Company's former Director, David Bull. During the period David Bull was a director of the Company, the Company received £3,351 (2021: nil) from Suppy@me Capital plc.

*Related party funding*

Included within current borrowing at year end was:

£nil shareholder loan from IWEF Ltd (2022: £582,666); and

£nil vendor loan in relation to the €40m 1AF2 bond acquisition from IWEF Ltd (2022: £387,102).

Included in non-current borrowing at year end was:

£5,953 (2022: £6,074) loan from Concreta Srl, a shareholder in the company; and

£nil (2022: £290,885) vendor loan from DB Investor in connection to the acquisition of Innovative Finance S.r.l.

**27. Ultimate controlling entity**

The Group's ultimate controlling party is Dominic White.

**28. Post balance sheet events**

**1AF2 Bond**

The Company has continued dialog with 1AF2 Ltd, the issuer of the 1AF2 bond regarding its expiry and principal repayment obligation in July 2024. Provisions have been made against the bond in these accounts, although the Company believes that much of the bond's value can be recovered. The second bondholder IWEF Ltd, a company controlled by Dominic White the Company's Chairman, has agreed at the date of this document to subordinate its pro-rata call on the 1AF2 Ltd security package to the Company to support such recoverability.

The bond's issuer has made the Company aware of a number of positive activities being taken to enable it to deliver a series of cash principal repayments supported by an enhanced security package. Due to the commercial sensitivity of this negotiation further updates will be provided once agreements have been finalised, and in any case, as key data relating to the bond's expiry are received.

The Company further updates that post year end the value of the listed securities in the security package has fallen further. The value of the listed (only) part of the security package as at 28 June 2024 is now €4.63m compared to €15.53m at 31 December 2023. The bond issuer continues to maintain that it does not intend to repay the principal through the liquidation of the security package and that therefore other routes to payment of principal will be forthcoming. Eight Capital is proceeding in order to optimise its ability to recover the highest possible value from its bond investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**28. Post balance sheet events (continued)**

**Value of other quoted investments**

The value of other quoted investments held by the company has fallen post year end from £574k at year end (2022: £778k) to £175k at 25 June 2024.

**Regtech Open Project (RTOP) shares in 1AF2 bond security package**

Regtech Open Project Plc shares at the year end formed £4.3m of the value of the 1AF2 bond security package and the value on 28 June 2024 was £1.8m.

On 28 June 2024 RTOP announced that the listing of the Company's ordinary shares on the Main Market of the London Stock Exchange has been temporarily suspended. RTOP intends to apply to the FCA for a restoration of its listing following receipt of \$2.5m in funding and the publication of the Company's annual report and accounts for the period ending 30 June 2024 which is expected to be on or shortly before 31 October 2024.