31 January 2024

Quantum Exponential Group plc

(the 'Company' or 'Quantum Exponential')

Interim Results

Quantum Exponential Group plc (AQUIS: QBIT), a company focused on investing in quantum technology, is pleased to announce its unaudited interim results for the six months ending 31 October 2023.

Highlights

· Investment in Delta g Limited ("Deltag"), a company focused on gravity sensing hardware and technology.

· Award of a UK Government DSIT contract

· Opened European headquarters in Copenhagen.

· Strengthened industry ties across the UK and Europe by becoming a member of several quantum technology programmes giving us first mover advantage in finding viable start-ups.

Ian Pearson, Chairman, said:

"I am delighted to confirm that we have achieved our intention of creating an initial portfolio of companies that we set out in Quantum Exponential's Admission Document at the time of its admission to trading on the AQSE Growth Market.

The Board believes the quality of investments made to date is extremely high, in companies with world leading quantum technologies and genuinely exponential growth potential.

Through the hard work of a highly talented and committed executive team, the Company is now positioned to exploit this progress and move to the next stage of its development.

We are talking to a range of parties who share our vision and recognise the opportunities that quantum science brings to fuel advances in AI, medicines and material science.

It is disappointing to say the least that this progress is not reflected in the Company's share price and I believe strongly that the market is not currently correctly pricing the value of the investments made to date together with the potential of the platform that the Company has created."

Commenting on the interim results Steven Metcalfe, Chief Executive Officer, said:

During the period Quantum Exponential has cemented its status as one of the leading players in the quantum technology investment landscape with the ability to act as an accelerator and be the conduit between academia, companies, and government. This has been backed up by the award of the DSIT (Department of Science, Innovation and Technology) contract from the UK Government.

We now have seven portfolio companies with our investment into Delta G, a UK based gravity sensing company spun out of the Quantum hub at the University of Birmingham.

We now feel that we have a very strong balanced portfolio across the various verticals of quantum technology, and with the help of the QE team, they really can prove to be strong, value driven investments over time.

The opening of our European headquarters in Copenhagen has proven to be a great strategic move for us, where we feel there is an incredible quantum ecosystem that will show Denmark to be a major player as the technology moves forward. We have continued to grow our relationships within the Danish community.

Whilst the general economy has been extremely difficult and companies trading on junior markets are finding it very difficult from a value perspective, the Company is pursuing all opportunities that it feels will benefit shareholders in the long term.

For more information, visit the Company's website: www.quantumexp.co.uk or contact:

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Investment Review

We monitor our portfolio regularly and we believe that all our investees are developing their businesses broadly in line with the plans they provided us at the time of investment.

Aegiq Limited

On 30 April 2022, the Company invested £406,050 in two parts in Aegiq Limited, a hardware photonics company using quantum technologies to address the global cybersecurity threat posed by the rise of quantum computing.

Following the investment, Quantum Exponential held c.4.06% stake in Aegiq's issued share capital on a fully diluted basis. Aegiq has raised c. £4m across its investment funding rounds which has been supplemented by a number of grants.

For more information, visit https://www.aegiq.com/.

Arqit Quantum Inc.

Prior to listing, the Company secured an option to acquire 199,993 ordinary shares in Arqit Quantum Inc. Arqit is a UK-based Company listed on NASDAQ with a market capitalisation of USD 74M with a share price of $0.44 as at close of business on 31 October 2023.

A global leader in quantum encryption technology, Arqit has successfully demonstrated a quantum safe communication channel to secure data transmissions for both UK sensors and IoT as well as a US manufacturer of military drones.

For more information, visit https://arqit.uk/.

Delta g Ltd

On 5 July 2023 the Company announced that it had invested £300,000 as part of a £1,500,000 pre seed funding round in Delta g Ltd ('Delta g'). a UK based gravity sensing hardware and technology development company that has developed a cutting-edge underground imaging system that leverages quantum technology to measure gravity gradients. The funding round was led by Science Creates Ventures, with additional investment from Newable Ventures, Bristol Private Equity Club and angel investors.

Delta g is a UK based company that has recently spun out of the UK Quantum Technology Hub Sensors and Timing at the University of Birmingham. The company is focused on developing a quantum gravity gradiometer for scanning beneath the earth's surface for utility mapping, smart cities, smart mining, and building information modelling (BIM). Its gravity gradiometer has already received significant performance acclaim, demonstrated within a paper published in Nature (https://doi.org/10.1038/s41586-021-04315-3), and has attracted interest from large industrial end users across many industrial verticals. Its technology will contribute to effective monitoring of critical national infrastructure and ground movement from climate change - both in the UK and internationally. In addition to the equity investment Delta g has secured significant grant funding via the ISCF Commercialising Quantum Technologies: feasibility studies round 3. The funding is being used to develop a commercial demonstrator of the existing research system, perform trials with industrial end users, and build a robust roadmap towards manufacturing and commercialisation.

Following the investment, Quantum Exponential holds 153,061 ordinary B shares in Delta g representing approximately 7.8% of Delta g's enlarged issued share capital on a fully diluted basis.

For more information, visit https://www.delta-g.co.uk/.

Oxford Quantum Circuits

On 3 Feb 2023 the Company invested £299,997 into Oxford Quantum Circuits ('OQC'), one of Europe's leading quantum companies. Quantum Exponential holds 47,164 of Series A2 shares in OQC representing 0.34% on a fully diluted basis at the date of this funding round.

Post period end on 27 November 2023 OQC that SBI Investment, Japan's premier venture capital fund, is leading its US$100 million Series B fundraise, and the launch of OQC Toshiko, the world's first enterprise ready quantum computing platform. The Company will not be participating in the current funding round.

For more information, visit https://oxfordquantumcircuits.com/.

Siloton Limited

On 1 March 2022, the Company led a c.£470,000 initial financing round, investing c.£300,000 into Siloton Limited. The Company holds 2,752 ordinary shares in Siloton representing 12.79% of Siloton's enlarged issued share capital.

Siloton is a technology company that uses quantum techniques and photonic integrated circuits ('PICs') for use in sub-surface optical scanning devices with applications across healthcare and non-destructive testing. Siloton has focussed on advancing the development of a technology called Optical Coherence Tomography ('OCT') for the assessment of age-related macular degeneration ('AMD'), a condition that if untreated can lead to blindness and is estimated to affect approximately 288 million patients worldwide by 2042.

Since this investment Siloton has been awarded various grants and awards most notably the Institute of Physics Business Start-Up Award "for the development of a personal optical coherence tomography system, capable of saving the NHS half a billion pounds each year and reducing sight loss caused by age-related macular degeneration".

Post period end in December 2023 Siloton announced it was in the process of raising further funds and 50% of its funding target was committed.

For more information, visit https://www.siloton.com/news.

QLM Technology Ltd

On 4 August 2022, the Company invested £450,000 as part of a £12,000,000 Series A funding round in QLM Technology Ltd ('QLM'), a UK-based photonics hardware and technology development company that has developed a cutting-edge gas imaging camera based on quantum technology termed a Quantum Gas Imaging Lidar.

Beyond emissions monitoring for the oil and gas market, the QLM solution is well-suited for use in tracking and reducing methane emissions in other applications such as in biogas production, landfills, wastewater treatment plants, and coal mines.

Following the Investment, Quantum Exponential holds 1,203,208 B Ordinary Shares at a price of £0.374 in QLM representing 1.6% of QLM's fully diluted share capital.

In November 2023 QLM was awarded the Best Breakthrough Company in the South-West at The Spectator 2023 Economic Innovator of the Year Awards. In December 2023 QLM started to deploy their Quantum Gas Lidar for methane emissions monitoring into Severn Trent Water's wastewater treatment and biogas network.

For more information, visit https://qlmtec.com.

Universal Quantum Limited

On 16 May 2022, the Company invested £450,000 through an Advanced Subscription Agreement ("ASA") in Universal Quantum Limited ("Universal Quantum/ UQ"), a company focused on building the world's first million quantum bit ("qubit") quantum computers. The funds enabled Universal Quantum's to continue to focus on its integrated Quantum Processing Unit.

UQ continues to build a fully scalable trapped-ion quantum computer for the German Government. UQ was awarded this contract, valued at €67m, in November 2022.

In November 2023, the investment was converted to 84,000 Shares in UQ representing 0.507% of UQ's issued share capital.

For more information, visit https://universalquantum.com.

Stuart Nicol, Chief Investment Officer

INDEPENDENT REVIEW REPORT TO QUANTUM EXPONENTIAL GROUP PLC

Conclusion

We have been engaged by the Company to review the Condensed Consolidated set of financial statements in the half-yearly financial report for the six months ended 31 October 2023 which comprises the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows.

Based on our review, nothing has come to our attention that causes us to believe that the Condensed set of Consolidated financial statements in the half-yearly financial report for the six months ended 31 October 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the United Kingdom.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ''Interim Financial Reporting'', as adopted by the United Kingdom

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of and has been approved by the directors.

In preparing the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2023, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the Condensed Consolidated set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of Our Report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half-yearly financial reporting and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Shipleys LLP
Chartered accountants

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GU7 1XW   30 January 2024

Quantum Exponential Group plc

Unaudited Consolidated Statement of Comprehensive Income

For the 6 months ended 31 October 2023

		6 months ended 31 October 2023	6 months ended 31 October 2022
	Notes	£	£
Revenue		40,530	8,030
Gross profit		40,530	8,030
Operating expenses		(538,165)	(335,045)
Operating loss		(497,635)	(327,015)
Finance income		4,603	1,431
Gain / (Loss) on fair value adjustments on investments		(106,634)	(506,707)

Loss before tax		(599,666)	(832,291)
Taxation on operations		0	121,812
Loss for the period		(599,666)	(710,479)
Earnings Per Share		GBP (0.002)	GBP (0.002)
Diluted Earnings Per Share		GBP (0.002)	GBP (0.002)

Quantum Exponential Group plc

Unaudited Consolidated Statement of Financial Position

As at 31 October 2023

		At 31 October 2023	At 31 October 2022
	Notes	£	£
Assets			
Non-current assets			
Investments		2,278,685	2,386,805
Total non-current assets		2,278,685	2,386,805

Current assets			
Cash and cash equivalents		831,101	2,482,906
Other receivables		82,566	60,615
Total current assets		913,667	2,543,521
Total assets		3,192,352	4,930,326
Current liabilities			
Trade payables and other payables		(79,200)	(82,546)
Total current liabilities		(79,200)	(82,546)
Provision for liabilities		0	0
Total liabilities		(79,200)	(82,546)
Net assets		3,113,152	4,847,780
Equity			
Share capital		3,283,750	3,283,750
Share premium		2,114,610	2,114,610
Merger reserve		(261,810)	(261,810)
Capital contributions		199,732	199,732
Other reserves		(41,616)	(144)
Retained Loss		(2,181,514)	(488,358)
Total equity		3,113,152	4,847,780

Quantum Exponential Group plc

Unaudited Consolidated Statement of Cash Flows

For the 6 months ended 31 October 2023

		6 months ended 31 October 2023	6 months ended 31 October 2022
		£	£
Operating Profit / (loss) for the period		(599,666)	(710,479)
Adjustments for:			
Interest income		(4,603)	(1,431)
Decrease in trade and other receivables		(31,241)	11,285
Increase in trade and other payables		(10,088)	2,415
Provisions		0	(121,812)
Net fair value adjustment loss		106,633	506,707
Cash (outflow)/inflow from operating activities		(538,965)	(313,315)
Investing activities			
Purchase of investments		(300,000)	(900,000)
Net cash used in investing activities		(300,000)	(900,000)
Financing activities			
Interest income		4,603	1,431

Net inflow of cash generated from financing activities		4,603	1,431
Net increase in cash and cash equivalents		(834,362)	(1,211,884)
Cash and cash equivalents at beginning of period		1,665,463	3,694,790
Cash and cash equivalents at end of period		831,101	2,482,906

Quantum Exponential Group plc

Unaudited Consolidated Statement of Changes in Equity

For the 6 months ended 31 October 2023

	Share capital	Share premium	Merger reserve	Capital contribution	Other reserves	Retained profits/ (losses)	Total equity
	£	£	£	£	£	£	£
Balance at 1 May 2023	3,283,750	2,114,610	(261,810)	199,732	(41,616)	(1,581,848)	3,712,818
Loss for the period						(599,666)	(599,666)
At 31 October 2023	3,283,750	2,114,610	(261,810)	199,732	(41,616)	(2,181,514)	3,113,152

Notes to the financial statements

For the 6 months ended 31 October 2023

1. Accounting Policies

Corporate information

Quantum Exponential Group Plc is a public limited company, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is Fladgate LLP, 16 Great Queen Street, London, United Kingdom, WC2B 5DG. The Company's ordinary shares are traded on the Aquis Stock Exchange (AQSE), a primary and secondary market for equity and debt securities. The financial statements of Quantum Exponential Group plc for the period ended 31 October 2023 were authorised for issue by the Board on 30 January 2024 and the balance sheets signed on the Board's behalf on 30 January 2024.

The nature of the Group's operations and its principal activity is to assemble a portfolio of potential investments in leading quantum technology companies globally.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standard and interpretations are most relevant to the Company.

Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK.

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit and loss.

The financial statements are presented in Pounds Sterling (£) which is the functional currency of the Company and Group.

Basis of consolidation

The Group financial statements consolidate the results of Quantum Exponential Group plc and its subsidiary undertakings.

The financial statements of subsidiaries are prepared for the same reporting year using consistent accounting policies.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial information of subsidiaries is included from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealised income expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial information.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, as disclosed in note 3.

Going concern

In determining the basis for preparing the financial statements, management are required to consider whether the Group and Company can continue in operational existence for the foreseeable future, being a period of not less than twelve months from the date of the approval of the financial statements. The Directors have prepared forecasts of the Group's and Company's financial performance over the next twelve months from the date of this report.

The forecasts include assumptions regarding the opportunity funnel, growth plans, risks and mitigating actions. The Board are exploring a number of such opportunities

The Group's forecasts, assumptions and projections, taking account of sensitivities, support the conclusion that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, a period of not less than twelve months from the date of this report. The Group and Company, therefore, continues to adopt the going concern basis in preparing the financial statements.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account the time value of money; allocates the transaction price to separate performance obligations on the basis of the relative standalone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the service provided.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The tax expense comprises current and deferred tax. Tax currently payable, relating to corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, and that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction, or other event, that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts, and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short term. Bank overdrafts are shown within borrowing in current liabilities.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current

Investments and other financial assets

Investments and other financial assets, other than investments in subsidiaries undertakings, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Investment in subsidiary undertakings are recorded at cost less any provision for impairment.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non- financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rote specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Issued shares

Ordinary shares are classified as equity.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below:

Investment valuation

The Group has a number of investments in unlisted entities whereby their valuation is determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable data and therefore involves a degree of judgement and estimation by Directors.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

3. Financial instruments

IFRS 9 requires the Group to classify financial instruments at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

· quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

· inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);

· inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Financial instruments classified as level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. 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 Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise equity investments classified as trading securities or available-for-sale

Financial instruments classified as level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

· quoted market prices or dealer quotes for similar instruments;

· the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;

· the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, with the resulting value discounted back to present value;

· other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Financial instruments classified as level 3

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and determined by using valuation techniques. which require significant adjustment based on unobservable inputs are included in level 3.

The determination of what constitutes observable requires judgement by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For financial instruments classified as level 3 the Group uses a combination of internal and external valuations. Where management determines an external valuation is appropriate the group engages with professional service providers. Specific valuation techniques include:

· Market approach (utilising EBITDA or Revenue multiples, industry value benchmarks and available market prices approaches);

· Net asset approach;

· Income approach (utilising Discounted Cash Flow, Replacement Cost and Net Asset approaches);

· Desktop valuations based on price of a recent transaction when transaction price/cost is considered indicative of fair value; and

· Actuarial valuations using Monte Carlo, Black Scholes and adjusted binomial models.

The following table presents the Group's assets that are measured at fair value at 31 October 2023:

	Level 1	Level 3	Total
	£	£	£
Held at fair value			
At 1 May 2023	179,359	1,905,959	2,085,318
Additions during the period		300,000	300,000
FV adjustment	(106,634)		- (106,634)
Net book value			
At 31 October 2023	72,725	2,205,959	2,278,684

There were no transfers between levels during the year.

4.Director's transactions

There were no transactions with Directors during the period.

5.Events after the balance sheet date

There have been no further events after the reporting date that require adjustment or disclosure in line with IAS10 events after the reporting period.

6.Ultimate controlling party

The company is quoted on the AQSE market and there is no single controlling party.

Approval of Interim Financial Statements

The interim financial statements were approved by the Board of Directors on 30 January 2024