

**Braveheart Investment Group plc**  
**Annual Report and Accounts**  
**2023**

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## Highlights

- Earnings per share of 2.68 pence per share (2022: 4.02 pence per share)
- Strong technical and product development progress at Kirkstall, Paraytec and Phasefocus
- These strategic investments are now well positioned for growth in product, service and licence revenues

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### Disclaimer

This Annual Report contains certain forward-looking statements, which reflect the knowledge of, and information available to, the directors at the date of preparation of this Annual Report. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future and there are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements.

This section serves as our section 172(1) statement and should be read in conjunction with the Strategic Investments Review on pages 4-7 of this report and the Company's Corporate Governance Statement on pages 17-25 of this report.

I am pleased to report to shareholders for the year ended 31 March 2023.

## CEO's Report

I became CEO of Braveheart in August 2015. An investor buying the shares at the then market price and selling them at the end of the 2023 financial year would have enjoyed a total return (compound annual growth rate "CAGR") of \*28.59% pa. By comparison, over the same period for the AIM All-Share index\*\*, the CAGR was less than 2% pa (in the USA the CAGR of the S&P500 was 13% and Berkshire Hathaway 14%). In the belief of the Directors, a total compound return of 29% per annum places Braveheart amongst the best performing UK listed investments during this period.

Our strategy is to invest shareholder funds in businesses that we believe possess specific characteristics capable of generating exceptional returns on disposal. The timing and price of such disposals is impossible to forecast, and the Board acknowledges that patience may be required of shareholders while waiting for events to unfold. Although convention requires your directors to offer guidance about the future, the reality is that your directors have no more idea about timing of realisations than anyone else. Where the directors do have control is in positioning the portfolio to maximise exposure to potentially positive events.

## Strategic Investments Overview

### Paraytec Limited (Braveheart owns 100% per cent of the company)

Paraytec develops high performance specialist detectors for the analytical and life sciences instrumentation markets. In addition, it has been undertaking a programme with the University of Sheffield to develop rapid tests ("CX300") for identifying pathogens, including viruses.

#### *CX300 development programme and clinical study*

As reported on 31 May 2023, the collection of patient specimens for the COVID-19 clinical study at Sheffield Teaching Hospitals NHS Foundation Trust was successfully completed. The data set has since been 'locked' and passed to the independent clinical statisticians. Paraytec is awaiting the findings of the statistical analysis and initial reporting of results, which had been agreed for end June, but due to delays at the clinical statistician service provider, are now expected in July 2023.

Paraytec's programme to apply the CX300 technology to a test for the **rapid diagnosis of bacteraemia causing sepsis** is underway. An important element of this work has been to meet some of the UK's leading clinicians who design and implement the NHS treatment standards for the diagnosis and treatment of sepsis.

These meetings have concluded that the first target for Paraytec will be an instrument for the rapid detection of bacteria in a blood sample and if bacteria are present, to report whether these bacteria are classed as Gram-positive or Gram-negative. Differentiation between these two classes of bacteria is novel and invaluable to clinicians for a number of reasons: firstly, it will greatly help clinicians identify the likely source of the infection; secondly, different antibiotics are used to treat Gram-positive or Gram-negative bacteria, allowing clinicians to immediately target the best antibiotic treatment; thirdly, this will reduce the use of broad spectrum antibiotics to treat patients, as this can cause the bacteria present to rapidly increase their antibiotic resistance, making it even more difficult to treat the patient.

Paraytec's novel CX300 technology can be a major tool in the sepsis threat to global health and, as previously reported, proof-of-concept is expected to be completed by the end of this year. Antibiotic Stewardship is

a challenge to global health. It demands the responsible and strategic use of antibiotics to optimise patient outcomes, minimize the development of antibiotic resistance and preserve the effectiveness of these valuable drugs for future generations.

#### *Other applications*

The CX300 instrument is now CE marked for laboratory use and marketed for sale, details of which are on Paraytec's website, [www.paraytec.com/cx-300/](http://www.paraytec.com/cx-300/). Instruments are being produced and initially sales will be direct to customer by Paraytec's team. As volumes grow, the Company will seek volume manufacturing partners and distributors. In parallel with the CX300 instrument sales, there is potential for a substantial consumable market, which Paraytec intends to develop and exploit.

Together with Professor Carl Smythe and his team at Sheffield University, Paraytec has commenced a programme to test and develop a series of user applications for the CX300. The first in this series concerns the **analysis of protein aggregation** and a Technical Note "Therapeutic Antibody Aggregation Analysis using CX-300 and ParaySelect™" is now available on the Paraytec website ([www.paraytec.com](http://www.paraytec.com)). This shows users how the CX300 can quantify aggregation in the monoclonal antibody Herceptin™ within 60 seconds, using a remarkably small sample of 30 microlitres. Paraytec has instruments ready to demonstrate this procedure and is setting up a contract service to analyse samples on behalf of researchers.

Herceptin™ is an important biopharmaceutical used to treat early and advanced Her2+ cancers, including breast, stomach and oesophageal cancer, either alone or as an antibody-drug conjugate. Aggregation is to be avoided because it results in loss of function, decreased solubility, and, most importantly, enhances unwanted immunogenicity. Aggregate information is highly valuable to medical protein producers, who need to know if the material is denatured or aggregated before they use it in drug production. The CX300 can greatly increase aggregate detection over current methods, which would assist the research, development and production of better-quality drugs and diagnostics, whilst saving time and cost.

#### **Phasefocus Holdings Limited (Braveheart owns 44.19% of the company)**

Phasefocus' patented imaging and analysis technology uses a novel computational method for high fidelity Quantitative Phase Imaging ("QPI") and advanced microscopy, known in the scientific literature as "ptychography". The technology is useful for a wide range of applications including live cell imaging, engineering metrology and electron microscopy. The company's principal offering, Livecyte®, combines its QPI technology with integrated, proprietary, analysis software for live cell analysis. What sets this system apart from its counterparts is its unique ability to continuously track thousands of individual cells and sustain cell health and viability over prolonged durations. This fundamental feature facilitates longitudinal studies involving live cells, thereby permitting a more thorough exploration of dynamic cellular processes. The system enables users to automatically characterize growth, morphology, and motility of large populations of cells in a 96-well plate assay format.

We believe that the Livecyte® imaging and analysis system <https://www.phasefocus.com/livecyte> is truly market leading. Its easy-to-use image processing and cell tracking algorithms allow cell biologists to identify and track individual cells in real time. Researchers can now monitor the effect of drugs on cell behaviour over many days, identifying cell division events and subsequent daughter cells.

Many drug treatments used in cancer therapy aim to: (1) disrupt the cell cycle to stop the tumour growing; or (2) reduce the probability of cells causing secondary cancers through metastasis. Livecyte® has been demonstrated to provide novel measurements crucial to assessing the performance of both therapy targets; cell growth, proliferation and division events are useful for understanding (1) and cell motion and migration characteristics are valuable for (2).

Stem cells are extremely sensitive to DNA damage, which makes them very challenging to image with most high-content cell analysis systems which use high-power laser sources and fluorescent labelling. Livecyte®, with its QPI technology, produces high contrast images without the need for fluorescent labels or a high-powered illumination source, making it more suited to stem cell research. Cells analysed with Livecyte® are also left viable for subsequent downstream use, e.g. for further cell growth or additional analysis.

Unlike comparative QPI systems, Livecyte® removes the need for expensive consumables, reduces set up times, improves image quality, expands the field of view and greatly reduces time to results through real-time data analysis.

Two new Livecyte® applications have been developed by Phasefocus in response to customer requests and are scheduled for launch before the end of 2023. These will be marketed as proprietary assays, to meet the needs of cell biologists testing drug performance in immuno-oncology and neuroscience applications.

Livecyte® systems are already being used in research laboratories across the globe, with over 40 scientific research papers featuring Livecyte® data published to date. There is substantial further potential; the global live cell imaging market is estimated to be \$2.7 billion in 2023 and expected to grow at CAGR of 10.2% over the period to 2028.

<https://www.marketsandmarkets.com/Market-Reports/live-cell-imaging-market-163914483.html#:~:text=The%20global%20live%20cell%20imaging,trend%20analysis%20of%20the%20market.>

#### **Kirkstall Limited (Braveheart owns 86.11% of the company)**

Kirkstall operates in the market known as 'organ-on-a-chip', where it has developed Quasi Vivo®, a system of chambers for cell and tissue culture in laboratories. Its patented technology is used by researchers in the growing New Approach Methodologies ("NAMs"), which enable human-relevant drug safety decisions to be made without the need for animal testing.

Kirkstall is committed to delivering alternatives to animal testing into the hands and mind-sets of researchers worldwide. With Quasi Vivo and its associated test assays, the Directors believe that Kirkstall has the potential to change the research landscape. Quasi Vivo® systems enable precise control of flow and pressure, to provide a significantly more human relevant research environment than competitor systems, which enables the use of human cells/tissue slices in 2D or 3D constructs (scaffolds, gels or spheroids) in long term toxicology, mechanistic and metabolic studies.

Kirkstall's new QV1200 product was launched in February 2023 and has already attracted strong interest from academic and commercial customers. The QV1200 combines all of the most useful features of the previous Kirkstall products: it is easy to set up; allows single and multi-organ experiments; has an air-liquid interface (e.g. for use on lung experiments) and a liquid-liquid interface (e.g. for use on blood brain barrier experiments); has a standard microplate compatible with lab equipment and uses the standard wells for cell experiments. In addition, the QV1200 has an increased throughput, allows for cell imaging and uses improved biocompatible materials. The QV1200 culture chambers are single use, allowing Kirkstall to benefit from repeat sales from each customer.

Together with the launch of QV1200, Kirkstall has taken the exciting step of establishing its own contract research organisation (CRO) service to customers from its laboratory in Sheffield. Kirkstall will use the power of its NAMs technology to provide early stage, clinically transferrable data across a range of applications, providing customers with greater confidence in the success of their projects, at a fraction of the time and cost [www.kirkstall.com/contact-us/](http://www.kirkstall.com/contact-us/).

Kirkstall's research team is developing toxicity test assays for liver, lung and gut cells and will offer these to others, both through its CRO service and by providing assay kit products for other laboratories to use. In parallel work, researchers at Oxford University are developing blood-brain barrier assays for Kirkstall. The aim is to provide data to prove that QV1200 system replicates the human physiology more effectively than other flow systems.

Kirkstall's products and services sit in the Cell Biology Research and CRO markets, both of which are growing rapidly. The global cell culture market size was USD 21.95 billion in 2021 and is expected to surpass USD 52.65 billion by 2030 with a CAGR of 10.21% during the forecast period 2022 to 2030. The CRO market is projected to reach USD 188.5 billion by 2030 from USD 73.4 billion in 2022, at a CAGR of 12.5 %. Kirkstall's products support the Early Phase

Development market which represents approximately 20% of this market and is forecast to grow faster during this period due to the increasing investment in the development of life-saving drugs.

<https://www.fortunebusinessinsights.com/industry-reports/contract-research-organization-cro-services-market-100864>

<https://www.precedenceresearch.com/cell-culture-market>

### Listed Investments

At 31 March 2023, Braveheart held investments in the following AIM listed companies:

Aukett Swanke Group plc (Braveheart owns 12.96% of the company): a professional services group that principally provides architectural and interior design services in the primary international market sectors of offices, residential, education, industrial, hospitality and mixed use or 'hybrid' developments.

Autins Group plc (Braveheart owns 15.98% of the company): an industry-leading designer, manufacturer and supplier of acoustic and thermal insulation solutions for the automotive industry and other sectors.

Image Scan Group plc (Braveheart owns 7.05% of the company): a specialist supplier of X-ray screening systems to the security and industrial inspection markets.

Velocity Composites plc (Braveheart owns 1.26% of the company): a UK based company and leading supplier of composite material kits to aerospace and other high-performance manufacturers.

Your Board believes these technology-driven companies each has a significant opportunity to build sales and deliver profit. As always, Braveheart is an active investor, regularly communicating with their boards and seeking to introduce opportunities that help deliver shareholder returns.

The Company also has a number of portfolio investments that are smaller scale legacy investments. We will continue to manage these investments and seek exits where appropriate.

### Portfolio investments

The Company also has a number of portfolio investments that are smaller scale legacy investments which we continue to manage and seek exits where appropriate.

### Prior-Year Restatement

Your Board has reviewed its accounting policy and concluded that as Braveheart is an investment company and in accordance with IFRS 10, Kirkstall and Paraytec are not required to be consolidated and thus these financial statements, including the prior year have been restated to remove these previously consolidated entities.

### Investment Strategy

When Braveheart became a company listed on AIM, the Admission Document approved by shareholders on 27 March 2007 set out the Investment Strategy which was appropriate to the business and the market at that time. Over the years, Braveheart has moved away from FCA regulated legacy fund management activities and has for some years

focused on making and managing direct investments made from its own balance sheet resources. Your Board of directors now considers that a New Investment Strategy is needed to reflect the business opportunities and market conditions that the Company now faces and recommends that this amendment to the Admission Document be approved by shareholders at the forthcoming AGM.

## Outlook

Shareholder funds are now deployed maximally to enhance the attractiveness of our investments to potential acquirers. Intensive work continues to further develop the attractiveness and value of our 'cutting edge' science businesses. With the bait in the water, masterful inactivity is probably the most appropriate stance for your directors to take for now, as we wait for approaches.

**Trevor Brown**  
**Chief Executive Officer**  
**30 June 2023**

\* Braveheart share price on 24/08/2015 was 7.5p and on 31/03/23 was 7.5p. Total dividend paid during the above period was 43.25p, which equates to a CAGR of 28.59%.

\*\* <https://www.londonstockexchange.com/indices/ftse-aim-all-share>



## Financial Review

During the year, we continued the comprehensive review of our cost base and continued to reduce the central costs.

## Income Statement

Fee-based revenue was generated by Braveheart Investment Group Plc. The principal revenue from the Group's operations comprises investment management fees, with total revenue during the year being £51,000 (2022: £64,000). Finance income was £Nil (2022: £Nil), this being interest on outstanding loan notes within the directly held portfolio.

As at 31 March 2023, the total number of directly held investments in the portfolio of Strategic Investments and the Portfolio Investments was 21 companies (2022: 18). The fair value of the directly held portfolio was £9,458,000 (2022: £4,937,000). During the year the group made investments of £1,828,000 into six companies: Autins Group Plc, Aukett Swanke Plc, Image Scan Holdings Plc, KDS Architecture Limited, Kirkstall Limited and Phasefocus Holdings Limited.

Total income for the year ended 31 March 2023, including realised gains and unrealised revaluation gains and losses, was £2,958,000 (2022: £2,691,000).

The average number of employees remained at four during the period under review. Employee benefits expense was £556,000 (2022: £534,000). Other operating and finance costs increased to £283,000 (2022: £226,000).

The total profit after tax decreased to £1,585,000 (2022: £1,883,000), equivalent to a basic profit per share of 2.68 pence (2022: 4.02 pence).

## Financial Position

The Group's net assets of £10,520,000 (2022: £7,486,000).

At the year end, the Group had cash balances of £935,000 (2022: £1,853,000). There were no material borrowings.

A summary analysis of the Group's performance is as follows:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Investment management revenue and sales	<b>51</b>	64
Finance income	<b>21</b>	-
Income before portfolio movements	<b>72</b>	64
Profit on disposal of investments	<b>171</b>	60
Change in fair value of investments, gain on disposal of investments and movement in contingent liability	<b>2,958</b>	2,691
Total income of continuing activities	<b>3,201</b>	2,815
Employee benefits expense (including share-based payments)	<b>(556)</b>	(534)
Other operating and finance costs	<b>(286)</b>	(228)
Total costs on continuing activities	<b>(842)</b>	(762)
Profit before tax – continuing	<b>2,359</b>	2,053
Tax	<b>(774)</b>	(170)
Total profit and total comprehensive profit for the year	<b>1,585</b>	1,883
Opening cash balance	<b>1,853</b>	2,134
Investment in portfolio companies	<b>(1,529)</b>	(1,467)
Proceeds from sale of equity investments	<b>428</b>	246
Amount paid to BBB	<b>(6)</b>	(171)
Warrants and share options exercised	<b>-</b>	7
Funds raised – net of share issue costs	<b>930</b>	2,416
Other activities	<b>(741)</b>	(1,312)
Closing cash balance	<b>935</b>	1,853
Net assets	<b>10,520</b>	7,487

### Key Performance Indicators (KPIs)

The KPIs we use to monitor business performance have been changed in order to better reflect the emphasis that the Board has placed upon the development of the Strategic Investments as the best way to increase shareholder value over the short and medium term. Given the nature of our business, these KPI's remain as, primarily, financial measures. They are:

	<b>2023</b>	<b>2022</b>
Cash (£'000)	<b>935</b>	1,853
Share price (pence)	<b>6.75</b>	17.75
Income (£'000)	<b>51</b>	64
Value of investments	<b>9,458</b>	4,937

## Principal Risks and Uncertainties

Through its operations the Group is exposed to a number of risks. The Group's risk management objectives and policies are described in the Corporate Governance Statement. Braveheart is ensuring that all necessary steps have been taken to maintain the integrity of the Company's assets and the health and well-being of our employees.

## Section 172 Statement

Section 172 (1) of the Companies Act obliges the Directors to promote the success of the Company for the benefit of the Company's members as a whole. This section specifies that the Directors must act in good faith when promoting the success of the Company and in doing so, have regard (amongst other things) to:

- a. the likely consequences of any decision in the long term,
- b. the interests of the Company's employees,
- c. the need to foster the Company's business relationship with suppliers, customers and others,
- d. the impact of the Company's operations on the community and environment,
- e. the desirability of the Company maintaining a reputation for high standards of business conduct, and
- f. the need to act fairly between members of the Company.

The Board of Directors is collectively responsible for formulating the Company's strategy, which is to provide advisory services to SMEs and invest in businesses where prospects appear to be exceptional and deliver growth to its shareholders.

The Board places equal importance on all shareholders and strives for transparent and effective external communications, within the regulatory confines of an AIM-listed company. The primary communication tool for regulatory matters and matters of material substance is through the Regulatory News Service, ("RNS"). The Company's

website is also updated regularly and provides further details on the business as well as links to helpful content such as our latest investor presentations.

Our employees are one of the primary assets of our business and will be critical to the future success of the Company. First and foremost, the Directors strive to ensure a safe working environment for all its staff and contractors, and we are proud of our safety achievements in 2022/23. We also seek to reward employees with remuneration packages which align the interests of the Company and its shareholders with those of employees. Employees are also provided with challenging work and external training opportunities to ensure their continual development.

The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members as a whole, as required by Section 172 (1) of the Companies Act 2006.

On behalf of the Board

**Trevor E Brown**

Chief Executive Officer

**30 June 2023**

The directors present their report together with the audited financial statements for the year ended 31 March 2023.

**Principal Activities**

The Group invests as principals in businesses where prospects appear to be exceptional and provides debt/equity and advisory services to SMEs to help them build value. The directors that served during the year were:

- T Brown
- V Hallam
- S Hagan
- Q Li

**Results and Dividends**

The financial statements of the Group and the Company for the year to 31 March 2023 are set out on pages 35 to 70. The Group's consolidated profit for the year was £1,585,000 (2022: £1,883,000). The directors do not recommend a dividend at the year end (2022: Nil).

**Corporate Governance Statement**

Information regarding the corporate governance statement can be found in the Corporate Governance statement on pages 17 to 25.

**Directors and their Interests**

The names of the directors who held office during the financial year, and at the year end, are listed on page 77. Biographical details of the directors who held office at the end of the financial year are shown on page 21. No director had a material interest in any contract, other than their contract for services, during or at the end of the financial year that was significant to the Group's business.

**Directors' Interests in Shares**

The directors at 31 March 2023 and their interests in the share capital in the Company were as follows:

Directors	At 31 March 2023		At 31 March 2022	
	Ordinary shares	Options over ordinary shares	Ordinary shares	Options over ordinary shares
T E Brown	13,199,424	2,750,000	4,751,013	1,500,000
V D Hallam	1,408,895	3,226,192	1,408,895	2,500,000
S Hagan	-	250,000	-	50,000
Q Li	-	200,000	-	-

### Share Capital

Details of the structure of the Company's share capital and the rights attaching to the shares are set out in note 18 to the financial statements.

At 31 March 2023 the Company had 63,723,489 allotted, called up and fully paid ordinary shares of 2 pence each.

The Company has one class of ordinary shares. All shares carry equal voting rights, equal rights to income and distribution of assets on liquidation or otherwise, and no right to fixed income.

There are no specific restrictions on the size of a holding or on the transfer of shares, which are both governed by the general provisions of the Company's Articles of Association (the Articles) and prevailing legislation.

Power to purchase the Company's own shares is provided in the Company's Articles subject to statutory provisions. The directors have no existing authority to purchase the Company's own shares.

### Financial Instruments

The Group's financial instruments comprise investments designated at fair value through profit or loss, cash and various items such as trade and other receivables and trade payables, all of which arise directly from its normal operations. The main purposes of these financial instruments are to provide returns from investment and finance for the Group's operations.

Further information regarding the Group's financial risk management objectives and policies, including those in relation to credit risk, liquidity risk and market risk, is provided in note 21 to the financial statements.

### Articles of Association

The Company's Articles may be amended by a special resolution of the shareholders.

### Appointment and Replacement of Directors

The Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing directors and may also determine the rotation in which any additional directors are to retire. Any person so appointed by the directors shall hold office only until the conclusion of business at the next Annual General Meeting and shall be eligible for reappointment by ordinary resolution at that meeting. The Company may also by ordinary resolution remove a director from office.

At each Annual General Meeting of the Company, directors eligible to retire shall retire from office by rotation. No director shall continue to hold office as a director after the third Annual General Meeting following his election or re-election, without submitting themselves for re-election at the said third Annual General Meeting.

### Significant Shareholdings

At 31 March 2023, the following beneficial owners each held 3% or more of the Company's issued share capital:

Name	Number	Percentage
JIM Nominees Limited <sup>1</sup>	16,431,885	25.79
Hargreaves Lansdown (Nominees) Limited	5,290,112	8.30
Hargreaves Lansdown (Nominees) Limited	4,663,021	7.32
Interactive Investor Services Nominees Limited	3,670,794	5.76
Barclays Direct Investing Nominees Limited	2,889,751	4.53
HSDL Nominees Limited	2,549,925	4.00
HSDL Nominees Limited	2,275,177	3.57
Interactive Investor Services Nominees Limited	2,213,402	3.47
Hargreaves Lansdown (Nominees) Limited	2,076,834	3.26

<sup>1</sup> Beneficial owner of 13,199,424 of these being T E Brown. The beneficial owner of further 1,408,895 of these is V D Hallam.

### Directors' Indemnity and Liability Insurance

During the year, the Company has maintained liability insurance in respect of its directors. Subject to the provisions of the Companies Act 2006, the Articles provide that to the extent that the proceeds of any liability insurance are insufficient to meet any liability in full, every Director is entitled to be indemnified out of the funds of the Company against any liabilities incurred in the execution or discharge of his or her powers or duties. A copy of the indemnity is available for inspection as required by the Companies Act 2006.

### Disclosure in Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Group's (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 4 to 11. These matters relate to business review, outlook and strategy.

### Directors' Responsibilities

The directors are responsible for preparing the Annual 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 financial statements in accordance with UK adopted international accounting standards and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 provide additional disclosures when compliance with specific requirements in UK adopted international accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors.

### Political and Charitable Donations

It is the Board's policy not to make any political donations nor charitable donations which exceed £200. The Group did not make any such donations in the year (2022: £nil).

### Going Concern

The directors having reviewed the Group's and Company's budgets and plans, taking account of reasonably possible changes in trading performance, have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements.

The directors have reviewed the Group's and Company's budgets and plans, taking account of reasonably possible changes in trading performance, and have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements.

**Disclosure of Information to Auditors**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditor**

The auditors, PKF Littlejohn LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

On behalf of the Board

**Trevor E Brown**

CEO

30 June 2023



## Corporate Governance Statement

The directors recognise the importance of sound corporate governance. As a company whose shares are traded on AIM, the Board has concluded that it will seek to comply with the Quoted Companies Alliance's Corporate Governance Code ("the QCA Code"). In addition, the directors have adopted a code of conduct for dealings in the shares of the Company by directors and employees and are committed to maintaining the highest standards of corporate governance. Susan Hagan, in her capacity as non-executive director, has assumed responsibility for ensuring that the Group has appropriate corporate governance standards in place and that these requirements are followed and applied within the Group as a whole. The corporate governance arrangements that the Board has adopted are designed to ensure that the Group delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Group in a manner that encourages open dialogue with the Board. The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group as a whole and that this will impact the performance of the Group. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Group as a whole and the way that employees behave. A large part of the Group's activities is centred upon what needs to be an open and respectful dialogue with investee companies, whether they be directly held investments or a part of a third party portfolio of investments managed by the Group. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Group does.

The Board intends to primarily deliver shareholder returns through a capital appreciation with the payment of dividends when it is possible and appropriate. Challenges to delivering strategy, long-term goals and capital appreciation are uncertainty in relation to organisational, operational, financial and strategic risks, all of which are outlined on in the Risk Management section below, as well as steps the Board takes to protect the Company by mitigating these risks and secure a long-term future for the Company.

The Board currently consists of four directors, of which two are executive and two are non-executive. The Board continues to consider whether it would be appropriate to seek to appoint additional non-executive and/or executive directors but at this time believes that appropriate oversight of the Group is provided by the currently constituted Board. This view will continue to be reviewed by the Board. In order to ensure that there is appropriate separation of tasks the Board has not appointed a Chairman but instead appoints a chair for each Board Meeting, with the CEO being excluded from taking on this role. There are currently only two non-executive directors on the Board and so the Board believes that it would not be appropriate to appoint a director as the named senior independent director as that the non-executive directors chair the board meetings where necessary and the roles of Chairman and senior independent director are meant to be separate.

The Board has taken the view that as there are currently four directors on the Group board it would not be appropriate to create a Nominations Committee to address the issues arising from ensuring a managed and successful succession planning process.

Yours faithfully  
Susan Hagan

## Corporate Governance Report

The QCA Code sets out 10 principles which should be applied. These are listed below together with a short explanation of how the Group applies each of the principles:

### *Principle One*

#### *Business Model and Strategy*

The Board has concluded that the highest medium and long-term value can be delivered to its shareholders by the adoption of an individual strategy for each part of the Group. For the fund management division of the Group the Board's strategy is to close the unprofitable parts of the business in a structured and responsible manner and to develop further the profitable parts of the fund management business by seeking new business of a similar nature. The Board believes that over time this will generate a sustainable and profitable fund management business for the long term. The key challenge to this strategy that the Board has encountered is that the development of new fund management business is, by its nature, a process that takes some time to achieve and so it is difficult to provide shareholders with meaningful updates to progress being made whilst new contracts have not been finalised. With regards to the directly held investments, the Board has developed a strategy which splits the portfolio into those investments that are passive in nature (usually because the company in question has now developed its own board of directors and corporate governance structures that mean that our active participation as a shareholder is no longer required) and those investments where our involvement is much more active. These active investments are labelled as our strategic investments and in these companies, we continue to hold a significant percentage of the shares in the company, where we remain actively involved with the development of the company with the Group usually being represented on the board of the investee company, and we believe that the returns that are possible are material. The key challenge to the successful development of this part of the strategy is the mis-match between the on-going short term costs to the Group of working with these strategic investments and the financial reward to the Group for this effort being of a longer term nature.

### *Principle Two*

#### *Understanding Shareholder Needs and Expectations*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company through its website, [www.braveheartgroup.co.uk](http://www.braveheartgroup.co.uk), and via Trevor Brown, CEO who is available to answer investor relations enquiries.

### *Principle Three*

#### *Stakeholder Responsibilities*

The Board recognises that the long-term success of the Group is reliant upon the efforts of the employees of the Group and its contractors, suppliers and regulators. The Board has put in place a range of processes and systems to ensure that there is close Board oversight and contact with its key resources and relationships. For example, all employees of the Group participate in a structured Group-wide annual assessment process which is designed to ensure that there is an open and confidential dialogue with each person in the Group to help ensure successful two-way communication with agreement on goals, targets and aspirations of the employee and the Group. These feedback processes help to ensure that the Group can respond to new issues and opportunities that arise to further the success of employees and the Group. In addition, the Board ensures that all key relationships with, for example, customers and suppliers are the

responsibility of, or are closely supervised by, one of the directors or the financial controller. These relationships are addressed at the regular board meetings with the financial controller also attending these.

#### *Principle Four*

##### *Risk Management*

The Board regularly reviews the risks facing the Group and seeks to exploit, avoid or mitigate those risks as appropriate. The Board is responsible for the monitoring of financial performance against budget and forecast and the formulation of the Group's risk appetite including the identification, assessment and monitoring of Braveheart's principal risks.

In addition to its other roles and responsibilities, the Audit and Compliance Committee is responsible to the Board for ensuring that procedures are in place, and are being effectively implemented to identify, evaluate and manage the significant risks faced by the Group. The risk assessment matrix below sets out those risks and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit and Compliance Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks, and controls to mitigate them, have been identified:

Activity	Risk	Impact	Control(s)
<b>Management</b>	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment  Balancing salary with longer term incentive plans
<b>Regulatory adherence</b>	Breach of rules	Censure or withdrawal of authorisation	Strong compliance regime
<b>Strategic</b>	Damage to reputation	Inability to secure new capital or clients	Effective communications with shareholders  Robust compliance
	Inadequate disaster recovery procedures	Loss of key operational and financial data	Secure off-site storage of data
<b>Financial</b>	Liquidity, market and credit risk	Inability to continue as going concern	Robust capital management policies and procedures
	Inappropriate controls and accounting policies	Reduction in asset values  Incorrect reporting of assets	Appropriate authority and investment levels as set by Treasury and Investment Policies  Audit and Compliance Committee

The directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. In addition, there are a range of Group policies that are reviewed at least annually by the Board and a programme of training and then confirmation of understanding that all employees of the Group are required to undertake each year. These group policies cover matters such as share dealing and insider legislation, conflicts of interest, social media, expenses, treasury, remuneration, risk and compliance. These areas are also included as permanent agenda items for report and review at each regular board meeting. The Board currently takes the view that an internal audit function is not considered necessary or practical due to the size of the Group and the close day to

day control exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function.

#### *Principle Five*

##### *A Well-Functioning Board of Directors*

The Board comprises the CEO Trevor Brown, the executive director Vivian Hallam and two independent directors Sue Hagan and Qu Li, in line with recommendations in the Quoted Company Alliance Corporate Governance Code.

The Board regularly reviews whether appropriate oversight of the Group is provided by the currently constituted Board. All Directors are encouraged to use their judgement and to challenge matters, whether strategic or operational, enabling the Board to discharge its duties and responsibilities effectively.

Sue Hagan and Qu Li are considered to be independent directors. The time commitment formally required by the Group is an overriding principal that each director will devote as much time as is required to carry out the roles and responsibilities that the director has agreed to take on. This generally means that Trevor Brown and Vivian Hallam are full time and that Sue Hagan and Qu Li are part time. Biographical details of the current directors are set out within Principle Six below. Executive and non-executive directors are subject to re-election at intervals of no more than three years. The letters of appointment of all directors are available for inspection at the Company's registered office during normal business hours.

The Board meets regularly and is responsible for formulating, reviewing and approving the Group's strategy, budgets, performance, major capital expenditure and corporate actions. The Board meets at least eight times per annum. It has established an Audit and Compliance Committee and a Remuneration Committee, particulars of which appear hereafter. Meetings are open and constructive, with every Director participating fully. The Board agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee.

#### Attendance at Board and Committee Meetings

The following table summarises the number of board and committee meetings held during the year and the attendance record of individual directors:

	Board		Audit and Compliance		Remuneration	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
T E Brown	15	15	-	-	-	-
V D Hallam	15	15	2	2	-	-
Q Li	14	15	2	2	2	2
S Hagan	15	15	2	2	2	2

#### *Principle Six*

##### *Appropriate Skills and Experience of the Directors*

The Company believes that the current balance of skills in the Board as a whole reflects a broad range of personal, commercial and professional skills, and notes the range of financial and managerial skills. The Non-Executive Directors maintain ongoing communications with Executives between formal Board meetings.

In addition to their general Board responsibilities, Non-Executive Directors are encouraged to be involved in specific workshops or meetings, in line with their individual areas of expertise. The Board is kept abreast of developments of governance and AIM regulations. The Company's NOMAD provides AIM Rules training as part of a new Director's on boarding. All Directors develop their skills and capabilities through their continuing experiences and keeping abreast with industry developments.

The Directors have access to the Company's NOMAD, company secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary. If required, the Directors are entitled to take independent legal advice and if the Board is informed in advance, the cost of the advice will be reimbursed by the Company.

The Board currently consists of four directors and, in addition, the Group has employed the outsource services of GBAC Limited to provide financial control and book keeping services and also to act as the Group Company Secretary. The Board recognises that it currently has a limited diversity and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

Trevor E Brown MBA

*Chief Executive Officer*

Trevor has acted as a CEO, executive director and non-executive director for a wide range of companies in a range of sectors over 40 years. This has provided him with a vast amount of experience through many long term economic and corporate life cycles that mean he is highly qualified to assess the opportunities and risks for both the Group and its portfolio of investee companies. This wide-ranging experience is kept up to date through his continued participation in a variety of businesses where the Group has a holding and in other companies that are unconnected to the Group. Trevor is also currently a director of IQ-AI Limited and Chamberlin plc. Trevor joined the Board of Braveheart as a Non-executive Director with effect from 1 April 2014 and became the Chief Executive Officer on 21 August 2015.

Vivian D Hallam MBA BSc CEng

*Executive Director*

Viv is a Chartered Mechanical Engineer and has an MBA from Aston Business School. He joined Viking Fund Managers in 2003 following twenty years of senior management in international advanced engineering companies, including Sarna, GKN and GEC. There he was responsible for design, development and marketing of new products for the plastics, automotive and power industries. Viv is responsible for the operational management of Braveheart and management and oversight of the Strategic Investments and attends the Group's Audit and Compliance Committees.

Dr Susan Hagan

*Non-executive Director*

Sue brings a wide range of experience in research, development and commercialization of medical devices, in-vitro diagnostic (IVD) medical devices, therapeutics and related healthcare products. She led early phase combination drug-device projects with Pfizer and was project manager for the development of a radiopharmaceutical oncology product into a first in human trial at Aphton Biopharma, a NASDAQ listed immunotherapeutic company, where she also led the Research and Development Laboratory. Sue is a member of the Group's Remuneration Committee and Audit and Compliance Committee.

Dr Qu Li

*Non-executive Director*

Dr Qu Li is an experienced entrepreneur, investor and businesswoman with over 30 years of experience in corporate mergers and acquisitions, development and restructuring, and financing and investments. Qu has worked across several business disciplines, including research and development, design and engineering, manufacturing and logistics, marketing and PR, and management and finance. She has led many turnkey transactions ranging from US\$5million to US\$100 million and she has raised over US\$300 million over the past 15 years. Qu is a member of the Group's Remuneration Committee and Audit and Compliance Committee.

*Principle Seven*

*Evaluation of Board Performance*

The Directors consider that the Company and Board are not yet of a sufficient size for a full external Board evaluation to make commercial and practical sense. In the frequent Board meetings/calls, the Directors can discuss any areas where they feel a change would benefit the Company, and the Company Secretary remains on hand to provide impartial advice. As the Company grows, it expects to expand the Board and with the Board expansion, reconsider the need for Board evaluation.

Internal evaluation of the Board, the Committees and individual directors is undertaken on an annual basis by the Remuneration Committee, to determine the effectiveness and performance. The most recent review being carried out in April 2023. In addition, each non-executive director's continued independence is assessed annually.

*Principle Eight*

*Corporate Culture*

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group as a whole and that this will impact the performance of the Group. The Board is very aware that the tone and culture set

by the Board will greatly impact all aspects of the Group as a whole and the way that employees behave. A large part of the Group's activities is centred upon what needs to be an open and respectful dialogue with investee companies, whether they be directly held investments or a part of a third-party portfolio of investments managed by the Group. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Group does. The Board assessment of the culture within the Group at the present time is one where there is respect for all individuals, there is open dialogue within the Group and there is a commitment to provide the best service possible to all the Group's customers, clients and investee companies. Whilst the Group has a small number of employees, the Board maintains that, as the Group grows, it intends to maintain and develop strong processes which promote ethical values and behaviours across all hierarchies.

The Board places great importance on the responsibility of accurate financial statements and auditing standards complying with Auditing Practice Board's (APB's) and Ethical Standards for Auditors. The Board places great importance on accuracy and honesty and seeks to ensure that this aspect of corporate life flows through all that the Group does.

The Board has adopted an anti-corruption and bribery policy (Bribery Policy). The Bribery Policy applies to all Directors and employees of the Group and sets out their responsibilities in observing and upholding a zero tolerance position on bribery and corruption, as well as providing guidance to those working for the Company on how to recognise and deal with bribery and corruption issues and the potential consequences.

The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with rule 21 of the AIM rules.

### *Principle Nine*

#### *Maintenance of Governance Structures and Processes*

The Board is committed to, and ultimately responsible for, high standards of corporate governance. The Board reviews the Company's corporate governance arrangements regularly and expects to evolve these over time, in line with the Company's growth. The Board delegates responsibilities to Committees and individuals as it sees fit.

Ultimate authority for all aspects of the Group's activities rests with the Board, with the respective responsibilities of the Independent Directors and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted two statements: the first sets out matters which are reserved to the Board and the second establishes the division of responsibilities between the Independent Director (unless a Chairman is formally appointed in which case it would be the Chairman) and the Chief Executive Officer. The Independent Director is responsible for the effectiveness of the Board, while management of the Group's business, the general day-to-day running of the business and developing corporate strategy, and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

#### *Audit and Compliance Committee*

For the period under review the Audit and Compliance Committee comprised Susan Hagan and Qu Li. Vivian Hallam was an invited attendee. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit and Compliance Committee meets not less than twice in each financial year and has unrestricted access to the Group's auditors.

### Remuneration Committee

For the period under review the Remuneration Committee comprised Susan Hagan and Qu Li. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Group's Remuneration Policy.

### Non-executive Directors

The Board has adopted guidelines for the appointment of non-executive directors which have been in place and observed throughout the year. These provide for the orderly and constructive succession and rotation of the Chairman (if one is in place) and non-executive directors insofar as both the Chairman and non-executive directors will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms. The Chairman may serve as a non-executive director before commencing a first term as Chairman.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.



*Principle Ten**Shareholder Communication*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting and the voting results of all general meetings are published via the Company's website.

Information is available on the Investor Relations section of the Group's website [www.braveheartgroup.co.uk](http://www.braveheartgroup.co.uk), and is kept updated with details of relevant developments, regulatory announcements, financial reports and shareholder circulars.

Shareholders with a specific enquiry can contact the board through the website, and via Trevor Brown, CEO who is available to answer investor relations enquiries. The Company uses electronic communications with shareholders in order to maximise efficiency.

**Organisation review**

The Board of Directors provide extensive experience in advisory services and the technology sector, including the operation of public companies.

*The Board of Directors*

The Board is responsible for providing strategic direction for the Group, setting objectives and management policies and agreement on performance criteria. The Board monitors compliance with objectives and policies of the Group through monthly performance reporting, budget updates and monthly reviews. The current composition of the Board is two Executive Directors and two Non-Executive Directors. The Board believes the composition of the Board provides an appropriate mix to conduct the Group's affairs at the present time.

**Audit and Compliance Committee**

During the period under review the Audit and Compliance Committee was chaired by Susan Hagan. Vivian Hallam was an invited attendee. It met to review the Interim Report, the Annual Report, to consider the suitability and monitor the internal control processes and to review the valuations for the portfolio of directly held investments. There were two Audit and Compliance Committee meetings during the year. The Audit and Compliance Committee reviews the findings of the external auditors and reviews accounting policies and material accounting judgements.

The independence and effectiveness of the external auditor is reviewed annually and the Audit and Compliance Committee meets at least once per financial year with the auditors to discuss their independence and objectivity, the Annual Report, any audit issues arising, internal control processes, auditor appointment and fee levels and other appropriate matters.

**Remuneration Committee**

The Remuneration Committee provides a formal and transparent review of the remuneration of the Executive Directors and senior employees and makes recommendations to the Board on individual remuneration packages. This includes the award of non-contractual performance related bonuses and share options. Remuneration packages are designed to reward, motivate, retain and recruit individuals. Bonuses are only paid in recognition of performance. The committee comprised Susan Hagan (Chair) and Qu Li. No Director took part in discussions concerning the determination of their own remuneration.

During the year under review, the Remuneration Committee met twice.

### Remuneration Policy

The Committee is responsible for implementing and maintaining a remuneration policy which ensures that Executive Directors, other Group company directors, senior management and other employees are remunerated in such a manner as to ensure that (i) they are fairly rewarded in a manner which secures and retains the skilled and experienced individuals the Group requires to ensure its corporate objectives, including an increase in shareholder value; (ii) conflicts of interest are minimised and that the interests of staff are aligned with the long term interests of the Group; and (iii) remuneration is consistent with and promotes sound and effective risk management and does not encourage risk taking that exceeds the level of tolerated risk set by the Board; and (iv) remuneration is in line with the business strategy, objectives, values and long-term interests of the Group.

### Determination of Directors' and Senior Management's Salaries

The Remuneration Committee believes that the interests of the Executive Directors, other Group company directors, senior management and staff and those of the shareholders and other stakeholders are best aligned by a remuneration policy that provides a base salary together with awards under the Group's Share Option Scheme (the 'Scheme') and/or the award of bonuses paid for through the issue of shares. The Remuneration Committee reviews and determines annually directors' and senior management's salaries in relation to the tasks and responsibilities involved and the level of comparable salaries in the market place. In particular, the Committee seeks to ensure that salaries are competitive. In its final determination of salaries, the Committee's conclusions are set within what is affordable. During the year, contributions continued in respect of pension arrangements for two directors of the Company.

### Executive Director Service Agreements

Each of the executive directors has a service agreement with the Company. These agreements can be terminated by either party giving the other written notice at any time. Payments on termination are restricted to the value of the salary for the notice period.

### Non-executive Directors

The fees payable to the non-executive directors are first reviewed by the Committee, taking into account market rates, following which it submits recommendations to the Board for approval. The non-executive director has agreed a letter of appointment which sets out his/her duties, responsibilities and fees.

### Directors' Remuneration

The total amount of directors' remuneration is set out below:

	Salary	Pension	Total	Total
	2023 £	2023 £	2023 £	2022 £
<b>Executive directors:</b>				
T E Brown	105,939	-	105,939	127,100
V D Hallam	130,375	4,721	135,096	150,200
<b>Non-executive directors:</b>				
S Hagan	31,750	953	32,703	26,750
Q Li *	31,750	-	31,750	26,750
	<b>299,814</b>	<b>5,674</b>	<b>305,488</b>	330,800

\*Q Li's services were invoiced by Agile Impact Capital Ltd

## Share Option Scheme

In December 2020, the company created a share scheme in order to provide a long-term incentive plan for the directors, employees and consultants of the group “the Share Option Plan”.

Share Options arising from the Share Option Plan.

The interests of the directors in the share options were as follows:

	Date of Grant	At 1 April 2022	No of Options granted in year	No of Options exercised in year	No of Options lapsed in year	At 31 March 2023	Exercise Price	Date first exercisable	Expiry date
<b>Employment Options granted</b>									
V Hallam	17 Dec 2020	500,000	-	-	-	500,000	£0.17	17 Dec 2020	16 Dec 2030
T Brown	14 Oct 2021	1,500,000	-	-	-	1,500,000	£0.315	14 Oct 2022	14 Oct 2031
V Hallam	14 Oct 2021	2,000,000	-	-	(523,808)	1,476,192	£0.315	14 Oct 2022	14 Oct 2031
S Hagan	17 Dec 2020	50,000	-	-	-	50,000	£0.17	17 Dec 2020	16 Dec 2030
T Brown	24 Mar 2023	-	1,250,000	-	-	1,250,000	£0.0775	27 Mar 2024	27 Mar 2033
V Hallam	24 Mar 2023	-	1,250,000	-	-	1,250,000	£0.0775	27 Mar 2024	27 Mar 2033
S Hagan	24 Mar 2023	-	200,000	-	-	200,000	£0.0775	24 Mar 2023	27 Mar 2033
Q Li	24 Mar 2023	-	200,000	-	-	200,000	£0.0775	24 Mar 2023	27 Mar 2033
		4,050,000	2,900,000	-	(523,808)	6,426,192			

The charge made in respect of the fair value of options granted to directors was:

	<b>2023</b>	2022
	<b>£</b>	£
Expense arising from equity-settled share-based payments transactions	218,161	177,930

## Opinion

We have audited the financial statements of Braveheart Investments Group Plc (the 'parent company' or 'company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Cash Flows, the Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 ability to continue to adopt the going concern basis of accounting included:

- consideration of the group's objectives, policies and processes in managing its working capital as well as exposure to financial, credit and liquidity risks;
- checking the mathematical accuracy of the forecast used to model future financial performance
- discussions with management regarding the future plans and availability of funding;
- obtaining corroborative supporting for the key assumptions and estimates used in the cashflow forecast and challenging the reasonableness of the key assumptions included thereto; and
- reviewing the adequacy and completeness of disclosures in the financial statements.

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

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

### **Our application of materiality**

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as a magnitude of misstatement, including omission, that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We have also considered those misstatements including omissions that would be material by nature and would impact the economic decisions of a reasonably knowledgeable person based on our understanding of the business, industry and complexity involved.

We apply the concept of materiality both in planning and throughout the course of audit, and in evaluating the effect of misstatements. Materiality is used to determine the financial statements areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

In determining materiality and performance materiality, we considered the following factors:

- our cumulative knowledge of the group and its environment, including industry specific trends;
- the change in the level of judgement required in respect of the key accounting estimates;
- significant transactions during the year;
- the stability in key management personnel; and
- the level of misstatements identified in prior periods

Financial statement materiality applied for the group and parent company for the year ended 31 March 2023 was £146,000 and £ 144,000 respectively (2022: £143,000 and £142,000 respectively) based on the draft financial statements. We set a materiality threshold at 2% of total asset for the group and parent company in line with the prior year. The benchmark used is the one which we determined, in our professional judgment, to be the principal benchmark within the financial statements relevant to shareholders in assessing financial performance of the group and the parent company as the principal activity is that of an investment company and that current and potential investors will be most interested in the valuation of the investments.

Performance materiality for the group and parent company for the year ended 31 March 2023 was £109,500 and £108,000 respectively (2022: £100,100 and £99,400 respectively) being 75% (2022: 70%) of headline materiality for the group and parent company financial statements as a whole.

Based on our assessment, there is only one significant and material component within the group i.e., the parent company. The basis of determination of materiality has been discussed above. There is no other significant or material component within the group.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAVEHEART INVESTMENT GROUP PLC | 30

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £7,300 and £7,200 for the group and parent company respectively (2022: £7,150 and £7,100 respectively), as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Due to audit adjustments, the materiality benchmark has increased significantly. As all the audit adjustments and significant transactions have been tested, the risk of material misstatement based on the planning materiality has reduced further. The audit evidences obtained through audit procedures are sufficient and appropriate to provide a basis for our opinion.

### **Our approach to the audit**

Our audit was risk based and was designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size. The scope of our audit was based on the significance of component's operations and materiality. Each component was assessed as to whether they were significant or not to the group by either their size or risk.

The group includes the listed parent company and 6 subsidiaries, all of which are based in the United Kingdom. Out of the 7 components, 6 are active and 1 is dormant.

Out of the 6 active components, 1 component was identified as significant component due to its size and identified risks. We performed full scope audit on this component. The work on the significant components of the group has been performed by us as group auditor.

On the 5 non-significant components to the group financial statements, group analytical procedures were performed. There are no component auditors.

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements, considering the structure of the group.

We considered those areas which were deemed to involve significant judgement by the directors, such as the key audit matters relating fair valuation of investments and recoverability of receivable from investee companies. Other areas where judgement and estimates were involved are valuation of share options and warrants, cashflow forecast for going concern assessment and the consideration of future events that are inherently uncertain.

We also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The group's and parent company's accounting function are based in United Kingdom and the audit was performed by our team in London with regular contact maintained with the group and parent company throughout.

### **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 year 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.

We have determined the matters described below to be the key audit matters to be communicated in our report

Key Audit Matter (KAM)	How our scope addressed this matter
<p><b>Fair valuation of investments and recoverability of receivable from investee companies (Valuation) (Refer Note 10)</b></p> <p>The group and parent company holds investments in quoted and unquoted private companies amounting to £2.0 Mn and £7.4Mn respectively.</p> <p>Quoted investments are valued using Level 1 inputs within the fair value hierarchy under IFRS 13- <i>Fair Value Measurement</i>, are therefore not subject to management judgement or estimation, and are valued at their yearend share price per the relevant exchange.</p> <p>Unquoted investments are valued using Level 3 inputs within the fair value hierarchy under IFRS 13- <i>Fair Value Measurement</i>, are therefore subject to significant management estimate and judgement, which increases the risk of material misstatement due to management override of control.</p> <p>The group and parent hold has receivables from investee companies amounting to £1.17Mn. As these investee companies are unquoted private companies and are in the early start-up phase, there is a risk of impairment. Management assessment of impairment forms part of fair valuation which are subject to significant management estimate and judgement, which increases the risk of material misstatement due to management override of control.</p> <p>As investments and receivable from investee companies are significant balances in the financial statement and due to the risk associated, it is considered a KAM</p>	<p>Our work in this area included but not limited to:</p> <ul style="list-style-type: none"> <li>• Ensuring that the Group has full title to the investments held</li> <li>• Reviewing the valuation methodology for each type of investment held and ensuring that the carrying values (including receivable balances) are recoverable and supported by sufficient and appropriate audit evidence;</li> <li>• Challenging management's estimates and judgements included in the investment valuation methodology applied by involving valuation team ;</li> <li>• Ensuring that all asset types are categorised according to IFRS 13;</li> <li>• Reviewing the movement in investments to ensure they are accounted for and disclosed correctly in line with IFRS 9- <i>Financial Instruments</i> and IFRS 13; and</li> <li>• Ensuring that appropriate disclosures surrounding the estimates made in respect of any valuations are included in the financial statements</li> </ul> <p>We have reviewed management's assessment that supports the carrying value of unquoted private investment amounting to £7.2Mn (total unquoted investments of £7.4Mn) and £1.17Mn relating to receivable from investee companies.</p> <p>We noted that the carrying value is dependent on the ability of these investee companies (Paraytec Limited, Kirkstall Limited and Phasefocus Holdings Limited) to realise the potential of their business to maintain their targeted growth strategy with a view to generate sufficient economic benefits to ultimately support the carrying value.</p> <p>The ability to achieve the projected growth plans of these investments is reliant on the Group providing sufficient funds and support as required in order to enable them to continue their growth strategy as planned.</p> <p>If the unquoted investments are unable to successfully implement their growth strategy over the short to medium term, then this may ultimately lead to an impairment of these unquoted investments.</p>

## 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 parent 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' responsibility statement within director's report, the directors are responsible for the preparation of the group and parent 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 parent company financial statements, the directors are responsible for assessing the group and the parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- We obtained an understanding of the group and the parent company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and experience of the sector or similar sectors. We also selected a specific audit team with experience of auditing entities facing similar audit and business risks.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from:
  - AIM Rules for Companies;
  - QCA Corporate Governance Code
  - UK-adopted international accounting standards;
  - UK Companies Act 2006;
  - UK Employment Laws and Health and Safety Regulations;
  - UK Tax Laws;
  - General Data Protection Regulations;
  - Anti-Bribery Act; and
  - Anti-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 with those laws and regulations. These procedures included, but were not limited to:
  - enquiries of management;
  - reviewing of board minutes RNS announcements; and
  - reviewing the nature of legal and professional fees incurred in the year.

- 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 and revenue recognition, inappropriate application of the going concern assumption in the preparation of financial statements and management bias in determining key accounting estimates and in relation to fair valuation of investments and recoverability of receivable from investee companies. We addressed this by challenging the estimates/judgements made by management when auditing these significant accounting estimates/judgements (refer to the key audit matter and going concern section).
- 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 testing of journals, reviewing key accounting judgement and estimates for evidence of bias (refer to the key audit matter section and going concern section) and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Our review of non-compliance with laws and regulations incorporated all group entities. No component auditors were used for the purpose of the group audit, and all entities within the group are incorporated within the UK. The risk of actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.

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.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with our engagement letter dated 03 May 2022. 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.

**Eric Hindson (Senior Statutory Auditor)**

**For and on behalf of PKF Littlejohn LLP**

**Statutory Auditor**

**30 June 2023**

15 Westferry Circus

Canary Wharf

London E14 4HD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** for the year ended 31 March 2023 | 35

	Notes	2023 £	Restated 2022 £
Revenue from contracts with customers	3	50,902	64,257
Change in fair value of investments	10	2,957,665	2,690,598
Profit on disposal of investments	10	170,576	60,414
<b>Total income</b>		<b>3,179,143</b>	<b>2,815,269</b>
Employee benefits expense	5	(556,146)	(534,240)
Other operating costs	7	(283,356)	(225,780)
<b>Total operating costs</b>		<b>(839,502)</b>	<b>(760,020)</b>
Finance costs	6	(2,154)	(1,721)
Finance income	4	21,003	88
<b>Total costs</b>		<b>(820,653)</b>	<b>(761,653)</b>
<b>Profit before tax</b>		<b>2,358,490</b>	<b>2,053,616</b>
Tax	8	(773,652)	(170,398)
<b>Profit from continuing operations</b>		<b>1,584,838</b>	<b>1,883,218</b>
<b>Total profit and total comprehensive loss for the year</b>		<b>1,584,838</b>	<b>1,883,218</b>
<b>Profit attributable to:</b>			
Equity holders of the parent		1,584,838	1,883,218
		1,584,838	1,883,218
Earnings per share		<b>Pence</b>	<b>Pence</b>
- basic	9	2.68	4.02
- diluted	9	2.68	3.88

The accompanying accounting policies and notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** as at 31 March 2023 | 36

		2023	Restated 2022	Restated 2021
	Notes	£	£	£
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	12	418	796	421
Investments at fair value through profit or loss	10	9,458,324	4,937,155	834,922
Debtors due in over one year	13	1,155,200	813,200	317,200
		10,613,942	5,751,151	1,152,543
<b>Current assets</b>				
Trade and other receivables	14	64,510	211,782	188,921
Cash and cash equivalents	15	934,861	1,852,742	2,133,746
		999,371	2,064,524	2,322,667
<b>Total assets</b>		<b>11,613,313</b>	<b>7,815,675</b>	<b>3,475,210</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	16	(149,656)	(158,761)	(473,173)
		(149,656)	(158,761)	(473,173)
<b>Non-current liabilities</b>				
Deferred taxation	17	(944,050)	(170,398)	-
<b>Total liabilities</b>		<b>(1,093,706)</b>	<b>(329,159)</b>	<b>(473,173)</b>
<b>Net assets</b>		<b>10,519,607</b>	<b>7,486,516</b>	<b>3,002,037</b>
<b>EQUITY</b>				
Called up share capital	18	1,274,469	1,044,807	766,148
Share premium reserve	18	5,370,711	4,371,343	2,226,671
Share based payment reserve		471,203	309,835	137,200
Retained earnings		3,403,224	1,760,531	(127,982)
<b>Equity attributable to owners of the Parent</b>		<b>10,519,607</b>	<b>7,486,516</b>	<b>3,002,037</b>
<b>Total equity</b>		<b>10,519,607</b>	<b>7,486,516</b>	<b>3,002,037</b>

The accompanying accounting policies and notes form part of these financial statements.

Registered number: SC247376

Approved for issue by the Board of Directors 30 June 2023 and signed on its behalf by:

**Trevor E Brown**

CEO

**COMPANY STATEMENT OF FINANCIAL POSITION** as at 31 March 2023 | 38

		2023	Restated 2022	Restated 2021
	Notes	£	£	£
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	12	418	796	421
Investments at fair value through profit or loss	10	9,423,482	4,892,547	731,366
Debtors due in over one year	13	1,155,200	813,200	371,200
		<b>10,579,100</b>	<b>5,706,543</b>	<b>1,102,987</b>
<b>Current assets</b>				
Trade and other receivables	14	146,987	298,985	199,409
Cash and cash equivalents	15	684,532	1,602,140	1,889,958
		<b>831,519</b>	<b>1,901,125</b>	<b>2,089,367</b>
<b>Total assets</b>		<b>11,410,619</b>	<b>7,607,668</b>	<b>3,192,354</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	16	(148,557)	(151,926)	(415,139)
<b>Non-current liabilities</b>				
Deferred taxation	17	(944,050)	(170,398)	(415,139)
<b>Total liabilities</b>		<b>(1,092,607)</b>	<b>(322,324)</b>	<b>(415,139)</b>
<b>Net assets</b>		<b>10,318,012</b>	<b>7,285,344</b>	<b>2,777,215</b>
<b>EQUITY</b>				
Called up share capital	18	1,274,469	1,044,807	766,148
Share premium reserve		5,370,711	4,371,343	2,226,671
Share based payment reserve		471,203	309,835	137,200
Retained earnings		3,201,629	1,559,359	(352,804)
<b>Total Equity</b>		<b>10,318,012</b>	<b>7,285,344</b>	<b>2,777,215</b>

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been separately presented in these accounts. The Parent Company profit for the year was £1,584,415 (2022: profit £1,906,868).

Registered number: SC247376

Approved for issue by the Board of Directors on 30 June 2023 and signed on its behalf by:

**Trevor E Brown**

CEO

The accompanying accounting policies and notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS** for the year ended 31 March 2023 | **39**

	<b>2023</b>	<b>Restated 2022</b>
	<b>£</b>	<b>£</b>
<b>Operating activities</b>		
Profit before tax	2,358,490	2,053,616
<b>Adjustments to reconcile profit before tax to net cash flows from operating activities</b>		
Share based payment	219,223	177,930
Increase in the fair value movements of investments	(2,957,665)	(2,690,598)
Profit on disposal of equity investments	(170,576)	(60,414)
Investment movement owed to BBB	6,801	41,265
Depreciation and amortisation	378	271
Interest income	(21,003)	(138)
Increase in trade and other receivables	(194,728)	(518,861)
Decrease in trade and other payables	(9,106)	(314,412)
<b>Cash flow used in operating activities</b>	<b>(768,186)</b>	<b>(1,311,341)</b>
<b>Investing activities</b>		
Proceeds from sale of investments	428,066	245,871
Amount paid to BBB	-	(170,887)
Purchase of investments	(1,529,127)	(1,467,469)
Purchase of tangibles	-	(646)
Interest received	21,003	138
<b>Net cash flow used in investing activities</b>	<b>(1,080,058)</b>	<b>(1,392,993)</b>
<b>Financing activities</b>		
Warrants and share options exercised	-	7,480
Funds raised, net of share issue costs	930,363	2,415,850
<b>Net cash flow from financing activities</b>	<b>930,363</b>	<b>2,423,330</b>
Net decrease in cash and cash equivalents	(917,881)	(281,004)
Cash and cash equivalents at the beginning of the year	1,852,742	2,133,746
<b>Cash and cash equivalents at the end of the year</b>	<b>934,861</b>	<b>1,852,742</b>

During the year, there were two share for share exchanges involving Aukett Swanke plc that resulted in additional non cash investment of £298,668 and an equal uplift in share capital and share premium.

The accompanying accounting policies and notes form part of these financial statements.

**COMPANY STATEMENT OF CASH FLOWS** for the year ended 31 March 2023 | **40**

	<b>2023</b>	<b>Restated 2022</b>
	£	£
<b>Operating activities</b>		
Profit for the year	2,358,067	2,077,266
<b>Adjustments to reconcile profit before tax to net cash flows from operating activities</b>		
Share based payment	219,223	177,930
Increase in the fair value movements of investments	(2,960,569)	(2,693,838)
Profit on disposal of equity investments	(170,576)	(1,621)
Depreciation and amortisation	378	271
Interest income	(20,736)	(81)
Increase in trade and other receivables	(190,002)	(541,575)
Decrease in trade and other payables	(3,370)	(263,213)
<b>Net cash flow used in operating activities</b>	<b>(767,585)</b>	<b>(1,244,861)</b>
<b>Investing activities</b>		
Proceeds from sale of equity investment	428,066	1,747
Purchase of investments	(1,529,188)	(1,467,469)
Purchase of tangibles	-	(646)
Interest received	20,736	81
<b>Net cash flow used in investing activities</b>	<b>(1,080,386)</b>	<b>(1,466,287)</b>
<b>Financing activities</b>		
Warrants and share options exercised	-	7,480
Funds raised, net of share issue costs	930,363	2,415,850
<b>Net cash flow from financing activities</b>	<b>930,363</b>	<b>2,423,330</b>
Net (decrease) / increase in cash and cash equivalents	(917,608)	(287,818)
Cash and cash equivalents at the beginning of the year	1,602,140	1,889,958
<b>Cash and cash equivalents at the end of the year</b>	<b>684,532</b>	<b>1,602,140</b>

During the year, there were two share for share exchanges involving Aukett Swanke plc that resulted in additional non cash investment of £298,668 and an equal uplift in share capital and share premium.

The accompanying accounting policies and notes form part of these financial statements.



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** for the year ended 31 March 2023 | 41

GROUP	Called up Share Capital £	Share Premium Reserve £	Share based payment Reserve £	Retained Earnings/ (Deficit) £	Total £	Non- controlling interest £	Total Equity £
<b>At 1 April 2021</b>	<b>766,148</b>	<b>2,226,671</b>	<b>137,200</b>	<b>(559,897)</b>	<b>2,570,122</b>	<b>(6,025)</b>	<b>2,564,097</b>
Prior year adjustment	-	-	-	431,915	431,915	6,025	437,940
<b>At 1 April 2021 restated</b>	<b>766,148</b>	<b>2,226,671</b>	<b>137,200</b>	<b>(127,982)</b>	<b>3,002,037</b>	-	<b>3,002,037</b>
Profit and total comprehensive profit for the year	-	-	-	1,883,218	1,883,218	-	1,883,218
Allotment of shares	278,659	2,228,822	-	-	2,507,481	-	2,507,481
Cost of shares issued	-	(84,150)	-	-	(84,150)	-	(84,150)
Share based payments	-	-	177,930	-	177,930	-	177,930
Transfer to retained earnings	-	-	(5,295)	5,295	-	-	-
<b>Transactions with owners, recognised directly in equity</b>	<b>278,659</b>	<b>2,144,672</b>	<b>172,635</b>	<b>1,888,513</b>	<b>4,484,479</b>	-	<b>4,484,479</b>
<b>At 1 April 2022 restated</b>	<b>1,044,807</b>	<b>4,371,343</b>	<b>309,835</b>	<b>1,760,531</b>	<b>7,486,516</b>	-	<b>7,486,516</b>
Profit and total comprehensive profit for the year	-	-	-	1,584,838	1,584,838	-	1,584,838
Allotment of shares	229,662	1,034,118	-	-	1,263,780	-	1,263,780
Cost of shares issued	-	(34,750)	-	-	(34,750)	-	(34,750)
Share based payments	-	-	219,223	-	219,223	-	219,223
Transfer to retained earnings – surrender of options	-	-	(57,855)	57,855	-	-	-
<b>Transactions with owners, recognised directly in equity</b>	<b>229,662</b>	<b>999,368</b>	<b>161,368</b>	<b>1,642,693</b>	<b>3,033,091</b>	-	<b>3,033,091</b>
<b>At 31 March 2023</b>	<b>1,274,469</b>	<b>5,370,711</b>	<b>471,203</b>	<b>3,403,224</b>	<b>10,519,607</b>	-	<b>10,519,607</b>

Share capital is the number of shares issued in the company at their nominal value. The share premium account represents the gross proceeds from issue of shares, less their nominal value.

**COMPANY STATEMENT OF CHANGES IN EQUITY** for the year ended 31 March 2023 | 42

COMPANY	Called up Share Capital	Share Premium Reserve	Share based payment Reserve	Retained Earnings/ (Deficit)	Total
	£	£	£	£	£
<b>At 1 April 2021 Restated</b>	<b>766,148</b>	<b>2,226,671</b>	<b>137,200</b>	<b>(352,804)</b>	<b>2,777,215</b>
Profit and total comprehensive income for the year	-	-	-	1,906,868	1,906,868
Allotment of shares	278,659	2,228,822	-	-	2,507,481
Share based payments	-	-	177,930	-	177,930
Cost of shares issued	-	(84,150)	-	-	(84,150)
Transfer to retained earnings	-	-	(5,295)	5,295	-
<b>Transactions with owners, recognised directly in equity</b>	<b>278,659</b>	<b>2,144,672</b>	<b>172,635</b>	<b>1,912,163</b>	<b>4,508,129</b>
<b>At 1 April 2022 Restated</b>	<b>1,044,807</b>	<b>4,371,343</b>	<b>309,835</b>	<b>1,559,359</b>	<b>7,285,344</b>
Profit and total comprehensive income for the year	-	-	-	1,584,415	1,584,415
Allotment of shares	229,662	1,034,118	-	-	1,263,780
Share based payments	-	-	219,223	-	219,223
Cost of shares issued	-	(34,750)	-	-	(34,750)
Transfer to retained earnings – surrender of options	-	-	(57,855)	57,855	-
<b>Transactions with owners, recognised directly in equity</b>	<b>229,662</b>	<b>999,368</b>	<b>161,368</b>	<b>1,642,270</b>	<b>3,032,668</b>
<b>At 31 March 2023</b>	<b>1,274,469</b>	<b>5,370,711</b>	<b>471,203</b>	<b>3,201,629</b>	<b>10,318,012</b>

The accompanying accounting policies and notes form part of these financial statements.

Share capital is the number of shares issued in the company at their nominal value. The share premium account represents the gross proceeds from issue of shares, less their nominal value.

**1 Corporate information**

The Group and Company financial statements of Braveheart Investment Group plc (the Company) for the year ended 31 March 2023 were authorised for issue by the Board of Directors on 30 June 2023 and the statements of financial position were signed on the Board's behalf by Trevor Brown.

Braveheart Investment Group plc is a public company incorporated in the United Kingdom under the Companies Act 2006 limited by shares. The address of the registered office is detailed at the back of this report. The nature of the Group's operations and its principal activities are set out in the Strategic Report and Directors' Report. The Company is registered in Scotland. The Company's ordinary shares are traded on the AIM market of the London Stock Exchange.

**2 Accounting policies****(a) Basis of preparation**

The Group and Company financial statements have been prepared in accordance with UK-adopted international accounting standards in accordance with the requirements of the Companies Act 2006 and in accordance with the requirements of the AIM rules. The principal accounting policies adopted by the Group and by the Company are set out in the following notes.

The consolidated financial statements have been prepared on a historical cost basis, except where otherwise indicated. The financial statements are presented in sterling and all values are rounded to the nearest pound (£), which is also the functional currency of the company and its subsidiaries, except where otherwise indicated.

The Group's business activities (together with the factors likely to affect its future development, performance and position) and its financial position is set out in the Chief Executive Officer's Report. The Group's risk management objectives and policies are described in the Corporate Governance Statement. Further information regarding the Group's financial risk management objectives and policies, including those in relation to credit risk, liquidity risk and market risk, is provided in note 21 to the financial statements. The Group's capital management objectives are stated on page 48, note (n).

**(b) Investment policy**

The Group makes investments in young, emerging, unlisted companies where there is potential for significant growth. Typically, Braveheart's investments are focused on British companies with potential global technology solutions. However, the Group also maintains limited exposure to more traditional businesses. Each year, out of several hundred business plans received, around ten investments are made, all of which demonstrate attractive exit potential. These opportunities arise from Braveheart's network of contacts, which includes close relationships with universities (as demonstrated by a recently announced joint venture with the University of Strathclyde), innovation centres, and the Group's own clients.

The Group has clients who are active investors (advisory clients) and passive investors (discretionary clients). Advisory clients make their own investment decisions based on detailed information sent to them by the Group. Braveheart's management make the investment decisions for discretionary clients.

The Group invests in companies at different stages of development, ranging from those which are just starting to trade to those which are expecting to achieve an IPO in the short term, providing further portfolio diversification. Braveheart may occasionally invest in companies that are in rescue or distress situations where a value-creating opportunity has been identified.

Braveheart's strategy involves utilising public sector grant and equity support in the early stages of a company's lifecycle when the investment risk is high. As risk reduces, the Group increases its investment in subsequent rounds of funding. This is achieved by the exercise of contractual pre-emption rights.

The Group generally looks for investments where there is a good prospect of an exit in a two to five year time period. Prior to investing, the Group's executives hold detailed discussions with management regarding exit strategy.

**(c) Going Concern**

The directors have reviewed the Group's and the Company's budgets and plans, taking account of reasonably possible changes in trading performance and have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements.

The group currently have large bank balances and undertake regular reviews of the cash flows of the company. The group forecast at least 12 months into the future at all times in order to ensure that the company can continue into the foreseeable future.

**(d) Changes in accounting policy and disclosures**

There are no new standards which became effective in the year which had a material impact on the group.

**(e) New standards and interpretations not yet effective**

The Group has adopted all recognition, measurement and disclosure requirements of IFRS, including any new and revised standards and interpretations of IFRS, in effect for annual periods commencing on or after 1 April 2023. The adoption of these standards and amendments did not have any material impact on the financial result of position in the Group.

At the date of authorisation of these financial statements, the following Standards and Interpretation, which have not yet been applied in these financial statements, were in issue, but not yet effective:

<b>New Standards</b>	<b>Effective Date</b>
IAS 1 Amendments – Presentation and Classification of Liabilities as Current or Non current	1 January 2024
IAS 16 Amendments – Lease liability in a sale and leaseback	1 January 2024
IAS 1 Amendments – Presentation of Financial Statements	1 January 2024

**(f) Basis of consolidation**

The Group’s financial statements consolidate the results of Braveheart Investment Group plc and its subsidiaries (together referred to as the ‘Group’) drawn up to 31 March each year. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting year as the parent company using consistent accounting policies. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation. The Company is classified as an investment entity as it meets the definition of an investment entity within Paragraph 27 IFRS 10.

**- Subsidiaries**

The subsidiaries have been consolidated from the date of their acquisition, being the date on which the Group obtained control, and will continue to be consolidated until the date that such control ceases. As per IFRS 10, an entity is classed as under the control of the Group when all three of the following elements are present: power over the entity, exposure to variable returns from the entity and the ability of the Group to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest and any other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The Group is made up of several different types of subsidiaries. The Group assesses the function performed by each type of subsidiary to determine its treatment under the IFRS 10 exception from consolidation. The types of subsidiaries and their treatment under IFRS 10 are as follows:

- Investment managers – Consolidated

These entities provide investment related services through the provision of investment management or advice. They do not hold any direct investments in portfolio assets. These entities are not investment entities.

- **General Partners (GPs) – Consolidated**

General Partners provide investment management services and do not hold any direct investments in portfolio assets. These entities are not investment entities.

Non-controlling interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position separately from parent shareholders' equity.

**(g) Use of estimates and assumptions**

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Where management's judgement has been applied, this is noted in the relevant accounting policy.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date 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:

- **Assessment as an investment entity**

Entities that meet the definition of an investment entity within IFRS 10 are required to account for most investments in controlled entities at fair value through profit and loss. The Board has concluded that the Company continues to meet the definition of an investment entity as its strategic objective of investing in portfolio investments and providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remains unchanged.

The Group is required to determine the degree of control or influence the Group exercises and the form of any control to ensure that the financial treatment is accurate.

- **Fair value of unquoted investments – see note 10**

Unquoted investments have been valued by the directors in compliance with the principles of the International Private Equity and Venture Capital Guidelines as endorsed by the European Venture Capital Association (EVCA). The use of such valuation techniques requires the directors to make certain judgements including making assessments of future revenue and earnings of portfolio companies, appropriate multiples to apply, and marketability and other risk discounts and provisions, and hence they are subject to uncertainty. Management believes that in their experience, the last round share price tends to be the most reliable method of calculating these investments, unless there is a major change to the company since that point as there is a proven basis for the share price. The fair value of unquoted investments of the Group at 31 March 2023 was £7,446,447 (2022: £3,803,301) and of the Parent Company was £7,411,605 (2022: £3,758,693). To reflect the potential impact of alternative assumptions and a lack of liquidity in these holdings, a discount has been applied to all Level 3 valuations. Further information regarding the Group's and Parent Company's fair value of unquoted investments is provided in note 10.

- **Share-based payments**

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they were granted. Judgement is required in determining the most appropriate valuation model for a grant of equity instruments depending on the terms and conditions of the grant. Management are also required to use certain assumptions in determining the most appropriate inputs to the valuation model including expected life of the option, volatility, risk free rate and dividend yield. The assumptions and models used are fully disclosed in note 19.

**(h) Revenue recognition and segmental reporting**

The Group earns fee income from the services it provides to its clients and monitoring fees from investee companies. Revenue is recognised at the fair value of the consideration received or receivable, excluding rebates. Fees earned for the provision of an ongoing service are recognised as that service is provided. Deal fees and arrangement fees are earned on individual transactions and related revenue is recognised on completion of the underlying transaction. The Group receives compensation for its role as fund manager; these fund management fees include fixed fees and performance fees and are recognised as the related services are provided. Monitoring fees are recognised as that service is provided.

Interest income is recognised using the effective interest method. Interest income is interest earned on bank deposit accounts and loan notes and is included within the statement of comprehensive income.

Revenue is deferred when it does not meet the revenue recognition policy and is presented as deferred income in the statement of financial position.

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.

**(i) Taxation**

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

A deferred tax asset or liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax asset or liability arises from (a) the initial recognition of goodwill, (b) the initial recognition of an asset or liability in a transaction which (i) is not a business combination and (ii) at the time of the transaction, affects neither accounting profit/(loss) nor taxable profit/(loss) or (c) relates to an investment in subsidiary, except to the extent that (i) the parent is able to control timing of reversal and (ii) it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**(j) Tangible assets**

Tangible fixed assets are stated at cost less depreciation and any provision for impairment.

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

Plant and machinery	over three years
Furniture, fittings and office equipment	over three years

**(k) Financial assets**

Financial assets are recognised when the Group becomes party to the contracts that give rise to them and are classified at initial recognition as either financial assets at fair value through profit or loss or loans and receivables. Financial assets are derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred substantially all the risks and rewards of the asset.

**- Investments at fair value through profit or loss**

Investments, which is made up of equity investments, are designated on initial recognition as financial assets at fair value through profit or loss. This measurement basis is consistent with the fact that the Group's performance in respect of its portfolio investments is evaluated on a fair value basis in accordance with an established investment strategy. When investments are recognised initially, they are measured at fair value.

After initial recognition the fair value of listed investments is determined by reference to bid prices at the close of business on the reporting date.

Unlisted equity investments are measured at fair value by the directors in compliance with the principles of the International Private Equity and Venture Capital Guidelines, updated and effective December 2015, as recommended by the European Venture Capital Association. The fair value of unlisted equity investments is determined using the most appropriate of the valuation methodologies set out in the guidelines. These include

using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; earnings or profit multiples; indicative offers; discounted cash flow analysis and pricing models.

Wherever possible the Group uses valuation techniques which make maximum use of observable market based inputs and accordingly the basis of the valuation methodology preferred by the Group is 'price of most recent investment'. Where 'price of most recent investment' is no longer considered to be appropriate, the Group has used valuations based on discounted cash flow method using business forecasts provided by the investee company, revenue multiples of comparable listed companies and comparable transactions.

**- Price of recent investment**

The Group considers that fair value estimates, which are based entirely on observable market data, will be of greater reliability than those based on assumptions and, accordingly, where there has been any recent investment by third parties, the price of that investment will generally provide a basis of the valuation. The length of period for which it remains appropriate to use the price of recent investment depends on the specific circumstances of the investment and the stability of the external environment. Given the nature of the Group's investments in early-stage companies, where there are often no current and no short-term future earnings or positive cash flows, it can be difficult to gauge the probability and financial impact of the success or failure of development or research activities and to make reliable cash flow forecasts. Consequently, the most appropriate approach to determine fair value is a methodology that is based on market data, that being the price of a recent investment. Where the Group considers that the price of recent investment, unadjusted, is no longer relevant and there are limited or no comparable companies or transactions from which to infer value, the Group carries out an enhanced assessment based on milestone analysis and/or industry and sector analysis. In applying the milestone analysis approach to investments in companies in early or development stages the Group seeks to determine whether there is an indication of change in fair value based on a consideration of performance against any milestones that were set at the time of the original investment decision, as well as taking into consideration the key market drivers of the investee company and the overall economic environment.

Where the Group considers that there is an indication that the fair value has changed, an estimation is made of the required amount of any adjustment from the last price of recent investment. Wherever possible, this adjustment is based on objective data from the investee company and the experience and judgement of the Group. However, any adjustment is, by its very nature, subjective. Where a deterioration in value has occurred, the Group reduces the carrying value of the investment to reflect the estimated decrease. If there is evidence of value creation the

Group may consider increasing the carrying value of the investment; however, in the absence of additional financing rounds or profit generation it can be difficult to determine the value that a purchaser may place on positive developments given the potential outcome and the costs and risks to achieving that outcome and accordingly caution is applied. Factors that the Group considers include, inter alia, technical measures such

as product development phases and patent approvals, financial measures such as cash burn rate and profitability expectations, and market and sales measures such as testing phases, product launches and market introduction.

**- Other valuation techniques**

If there is no readily ascertainable value from following the 'price of recent investment' methodology, or there is objective evidence that a deterioration or significant improvement in fair value has occurred since a relevant transaction, the Group considers alternative methodologies such as discounted cash flows ("DCF"). DCF involves estimating the fair value of a business by calculating the present value of expected future cash flows, based on the most recent forecasts in respect of the underlying business. Given the difficulty of producing reliable cash flow forecasts

for early-stage companies as described earlier, this methodology is used only where it is considered there is reasonable evidence of current and ongoing income streams.

In the current year, where 'price of recent investment' methodology was not considered to reflect the progress a business had made, two investments have been valued using DCF, revenue multiples of comparable listed companies and comparable transactions. We used DCF and revenue multiples to establish the fair value of the enterprise and applied a discount to the result to reflect the non-marketability associated with Braveheart's limited control of the business. Management took these valuations and made appropriate adjustments.

**- No reliable estimate**

Where a fair value cannot be estimated reliably, the investment is reported at the carrying value at the previous reporting date unless there is objective evidence that the investment has since been impaired.

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and comprise trade and other receivables, other financial assets and cash and cash equivalents, all of which are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method.

They are included in current assets, except for maturity greater than 12 months after the end of the reporting period, whereby these are classified as non-current assets.

- **Trade receivables**

Trade receivables are initially recognised at fair value which is normally the invoice value in short term receivables. Thereafter the receivables are carried at amortised cost. Provision is made where there is objective evidence that a balance will not be recovered in full in accordance with the instruments original terms. An impairment calculation is based on a comparison between the carrying amount and the net present value of expected future cash flows, discounted by the original effective rate. It can be concluded that any provision calculated would not have material impact on the financial statements due to the minimal amount of receivables and a formal policy will be implemented when necessary.

- **Cash and cash equivalents**

Cash and cash equivalents in the consolidated cashflow comprise cash in hand and short term bank deposits.

**(l) Financial liabilities**

Financial liabilities, being trade and other payables, are initially recognised at fair value and are subsequently carried at amortised cost.

**(m) The Company's investment in its subsidiaries**

In the Company's accounts, investment in its subsidiary undertakings are stated at cost less any provision for impairment.

**(n) Equity**

Financial instruments issued by the Group are treated as equity if the holders have only a residual interest in the Group's assets after deducting all liabilities. The Group considers its capital to comprise its share capital, share premium, merger reserve and retained earnings.

- Share premium — amount subscribed for share capital in excess of nominal value, net of directly attributable issue costs;
- Merger reserve — amount subscribed for share capital in excess of nominal value in relation to the qualifying acquisition of subsidiary undertakings;
- Retained earnings — cumulative net gains and losses recognised in the consolidated statement of comprehensive income net of associated share-based payments credits;
- Non-controlling interest — share of profits/(losses) attributable to the Limited Partners of Kirkstall Limited and Pharm 2 Farm Limited.
- Share based payment reserve – amount generated from the award of share options and warranties

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern;
- to ensure a sufficient cash balance is maintained; and
- to maximise returns to shareholders.

The Group continuously monitors rolling cash flow forecasts to ensure sufficient cash is available for anticipated cash requirements. The Group may issue new shares or realise investments to meet such requirements. To date the Group has negligible borrowings and does not pay a dividend. Investments made by the Group are subject to detailed selection criteria and are monitored carefully by the Board. The group considers that it has appropriately managed its capital requirements during the year.

There has been no change in capital management objectives, policies and procedures from the previous year other than the capital restructure which was undertaken during the year.

**(o) Share-based payments**

The cost of equity-settled transactions with employees is measured by reference to the fair value of the instruments issued at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions).



No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous reporting date is recognised in the statement of comprehensive income, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, any expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the statement of comprehensive income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the statement of comprehensive income.

**(p) Pensions**

The Group makes defined pension contributions to certain employees of the group. The assets of the scheme are held separately from those of the Group in independently administered funds. The Group has no further obligations once the contributions have been paid. The contributions are recognised as employee benefits expenses when they are due.

**(q) Foreign currency**

Foreign currency exchange gains and losses resulting from the remeasurement of monetary items denominated in foreign currency at the year-end exchange rates are recognised in the statement of comprehensive income. 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.'

**(r) Earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 18).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

**(s) Prior year adjustment**

The accounts have been restated in order to take Kirkstall Limited and Paraytec Limited out of the group accounts. IFRS 10 provides mandates that an investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity, excluding any subsidiary that is itself an investment entity and whose main purpose and activities are providing services that relate to the investment entity's investment activities. As such, the consolidation of Kirkstall Ltd and Paraytec Ltd in the prior year's financial statements is deemed to be not in accordance with IFRS 10 and as such requires correction and the prior-year figures should be restated to reflect this change.

**3 Revenue from contracts with customers**

Revenue is attributable to the principal activities of the Group. In 2023 and 2022, all revenue arose within the United Kingdom.

	<b>Group</b>	<b>Restated</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Investment management	15,000	21,167
Monitoring fees	3,600	-
Consultancy	32,302	43,090
	<b>50,902</b>	<b>64,257</b>

Of the revenue stated above, £32,302 (2022: £43,090) related to The Lachesis Seed Fund Limited Partnership.

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	<b>Investment management</b>	<b>Monitoring fee</b>	<b>Consultancy</b>	<b>Total</b>
<b>2023</b>				
Timing of revenue recognition				
At a point in time	<b>15,000</b>	<b>3,600</b>	-	<b>18,600</b>
Over time	-	-	<b>32,302</b>	<b>32,302</b>
	<b>15,000</b>	<b>3,600</b>	<b>32,302</b>	<b>50,902</b>
<b>2022 Restated</b>				
Timing of revenue recognition				
At a point in time	<b>21,167</b>	-	-	<b>21,167</b>
Over time	-	-	<b>43,090</b>	<b>43,090</b>
	<b>21,167</b>	-	<b>43,090</b>	<b>64,257</b>

**4 Finance income**

	<b>Group</b>	<b>Restated</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	21,003	88
	<b>21,003</b>	<b>88</b>

5 Employee benefits expense

	Company	Restated Company	Group	Restated Group
	2023	2022	2023	2022
	£	£	£	£
Salaries	306,481	333,349	306,481	333,349
Social security costs	24,568	18,739	24,568	18,739
Pension costs	5,874	4,222	5,874	4,222
Share based payments	219,223	177,930	219,223	177,930
	556,146	534,240	556,146	534,240

The average number of persons (including directors) employed by the Group during the year was 4 (2022: 4), all of whom were involved in management and administrative activities. The average number of persons (including directors) employed by the company during the year was 3 (2022: 3) The remuneration of the directors, is set out below in aggregate:

	2023	Restated 2022
	£	£
Short-term employee benefits	331,049	352,088
	331,049	352,088
Post-employment benefit	5,874	4,222
Share-based payments	219,223	177,930
	556,146	534,240

Further information about the remuneration of individual directors is provided in the Directors' Remuneration Report.

Remuneration to the highest paid director was £135,096 (2022: £150,200).

6 Finance costs

	Group	Restated Group
	2023	2022
	£	£
Bank charges	2,154	1,721

7 Expenses by nature

	<b>Group</b>	<b>Restated</b>
	<b>2023</b>	<b>Group</b>
	<b>£</b>	<b>£</b>
The following have been charged in arriving at operating loss:		
Depreciation and amortisation	378	271
Auditor's remuneration:		
Audit services		
- Fees payable for the audit of the consolidation and the parent company accounts	56,700	48,000
Legal, professional and consultancy costs	49,605	55,173
Stockbroker costs	76,250	59,927
Other expenses	100,423	62,409
<b>Total</b>	<b>283,356</b>	<b>225,780</b>

**8 Tax on profit on ordinary activities**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2023 or for the year ended 31 March 2022.

	<b>Group</b>	<b>Restated</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of total tax:</b>		
Profit before tax	2,358,490	2,053,616
Tax at the statutory rate of 19% (2022: 19%)	448,113	390,187
Disallowed expenses	43,288	34,556
Disallowed income	-	-
Capital allowances in excess of depreciation	72	(108)
Unrealised gain on the fair value movement of investments	(561,705)	(512,137)
Share scheme deduction	(3,047)	(3,979)
Other non-reversing timing differences	773,652	170,398
Tax losses carried forward	73,279	91,481
<b>Total tax reported in the statement of comprehensive income</b>	<b>773,652</b>	<b>170,398</b>

The Group has potential unrecognised deferred tax assets in respect of:

- excess management expenses of £843,506 (2022: £457,825) arising from Braveheart Investment Group plc; and
- excess management expenses of £558,768 (2022: £558,452) arising from Caledonia Portfolio Realisations Limited.
- excess trading loss of £5,701 (2022: £5,701) arising from The Ridings Early Growth Investment Company Limited.

From April 2023, the corporation tax rate will increase from 19% to 25%.

No deferred tax assets have been recognised in respect of these amounts as it is uncertain that there will be suitable taxable profits from which the future reversal of the deferred tax could be deducted.

## 9 Earnings per share

Basic earnings per share has been calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

The calculations of profit per share are based on the following profit and numbers of shares in issue:

	2023	Restated 2022
	£	£
Profit for the year	1,584,838	1,883,218
Weighted average number of ordinary shares in issue:	No.	No.
For basic profit per ordinary share	59,104,950	46,870,999
Potentially dilutive ordinary shares	-	1,633,195
For diluted earnings per ordinary share	59,104,950	48,504,194

Dilutive earnings per share adjusts for share options granted where the exercise price is less than the average price of the ordinary shares during the period. At the current year end there were Nil (2022: 1,633,195) potentially dilutive ordinary shares.

The diluted earnings per Ordinary Share is calculated by adjusting the weighted average number of Ordinary shares outstanding to consider the impact of options, warrants and other dilutive securities.

## 10 Investments at fair value through profit or loss

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>			
	Equity investments in quoted companies	Equity investments in unquoted companies	Debt investments in unquoted companies	Equity investments in unquoted companies	Debt investments in unquoted companies	Total
<b>GROUP</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 April 2021 Restated</b>	-	-	-	<b>834,922</b>	-	<b>834,922</b>
Additions at Cost	1,420,534	-	-	46,935	-	1,467,469
Disposals	-	-	-	(48,274)	-	(48,274)
Amount owed to creditors	-	-	-	(7,560)	-	(7,560)
Change in Fair Value	(286,680)	-	-	2,977,278	-	2,690,598
<b>At 1 April 2022 Restated</b>	<b>1,133,854</b>	<b>-</b>	<b>-</b>	<b>3,803,301</b>	<b>-</b>	<b>4,937,155</b>
Additions at Cost	1,177,139	-	-	650,656	-	1,827,795
Disposals	(257,490)	-	-	-	-	(257,490)
Amount owed to creditors	-	-	-	(6,801)	-	(6,801)
Change in Fair Value	(41,626)	-	-	2,999,291	-	2,957,665
<b>At 31 March 2023</b>	<b>2,011,877</b>	<b>-</b>	<b>-</b>	<b>7,446,447</b>	<b>-</b>	<b>9,458,324</b>

Included in the balance above are investments that would be owed to the British Business Bank through the Revenue Share Agreement. At the year end, an amount of £24,242 would be due to the British Business Bank on disposal. This liability is shown in the accounts within other creditors.

10 Investments at fair value through profit or loss (continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>		Total
	Equity investments in quoted companies	Equity investments in unquoted companies	Debt investments in unquoted companies	Equity investments in unquoted companies	
<b>COMPANY</b>	£	£	£	£	£
<b>At 1 April 2021 Restated</b>	-	-	-	<b>731,366</b>	<b>731,366</b>
Additions at Cost	1,420,534	-	-	46,935	1,467,469
Disposal	-	-	-	(126)	(126)
Change in Fair Value	(286,680)	-	-	2,980,518	2,693,838
<b>At 1 April 2022 Restated</b>	<b>1,133,854</b>	-	-	<b>3,758,693</b>	<b>4,892,547</b>
Additions at Cost	1,177,139	-	-	650,717	1,827,856
Disposal	(257,490)	-	-	-	(257,490)
Change in Fair Value	(41,626)	-	-	3,002,195	2,960,569
<b>At 31 March 2023</b>	<b>2,011,877</b>	-	-	<b>7,411,605</b>	<b>9,423,482</b>

As at 31 March 2023, the group total value of investments in companies was £9,458,324 (2022: £4,937,155). The group total change in fair value during the year was a profit of £2,957,665 (2022: profit £2,690,598).

Investments, which is made up of equity investments, are designated on initial recognition as financial assets at fair value through profit or loss. This measurement basis is consistent with the fact that the Group's performance in respect of its portfolio investments is evaluated on a fair value basis in accordance with an established investment strategy. When investments are recognised initially, they are measured at fair value.

After initial recognition the fair value of listed investments is determined by reference to bid prices at the close of business on the reporting date. Unlisted equity investments are measured at fair value by the directors in compliance with the principles of the International Private Equity and Venture Capital Guidelines, updated and effective December 2015, as recommended by the European Venture Capital Association. The fair value of unlisted equity investments is determined using the most appropriate of the valuation methodologies set out in the guidelines. These include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; earnings or profit multiples; indicative offers; discounted cash flow analysis and pricing models.

The Group classifies its investments using a fair value hierarchy. Classification within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant investment 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; and
- Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

The fair values of quoted investments are based on bid prices in an active market at the reporting date. All unquoted investments have been classified as Level 3 within the fair value hierarchy, their respective valuations having been calculated using a number of valuation techniques and assumptions, notwithstanding that the basis of the valuation methodology preferred by the Group is 'price of most recent investment'. To reflect the potential impact of alternative assumptions and a lack of liquidity in these holdings, a discount has been applied to all Level 3 valuations. When using the DCF valuation method, reasonably possible alternative assumptions could have a material effect on the fair valuation of investments.

**10 Investments at fair value through profit or loss (continued)**

The methodologies used in the year for level 3 investments are broken down as follows:

Methodology	Description	Inputs	Adjustments	% of portfolio valued on this basis
Fund Raising	Used for unquoted investments where there has been a funding round, generally within the last twelve months	The price of the most recent investment	A liquidity discount is applied, typically 15%. Where last funding round is greater than twelve months then further discounts ranging between 0% and 100% are applied.	2.4%
Debt/Loan notes	Loan investments	The fair value of debt investment is deemed to be cost less any impairment provision	Impairment provision if deemed necessary	0.7%
Discounted cash flow and revenue multiples	Used for companies with long-term cash flows and having comparable transactions/companies in the listed segment	Long term cash flows are discounted at a rate considered appropriate for the business, typically 25%. Revenue multiples are typically 5 to 10 times of forward looking revenue.	A liquidity discount is applied, typically 20%	96.9%

	<b>Group</b>	<b>Restated Group</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Change in fair value in the year:		
Fair value gains	4,722,538	2,982,077
Fair value losses	(1,764,873)	(291,479)
	<b>2,957,665</b>	<b>2,690,598</b>

The gain in the year came from the uplift of the valuations in Phasefocus Holdings, Paraytec and Kirkstall

Details of investments where the nominal value of the holding in the undertaking is 20% or more of any class of share are as follows:

Caledonia Portfolio Realisations Limited ('CPR') holds a 20% aggregate shareholding in Verbalis Limited ('Verbalis'), a design and production of automated language translation systems company. Neither CPR nor the Company is represented on the Board or within management of Verbalis and in the opinion of the directors, this shareholding does not entitle the Company to exert a significant or dominant influence over Verbalis. The carrying value of Verbalis is £nil (2022: £nil).

The Company holds a 100% aggregate holding in Paraytec Limited, which develops high performance specialist detectors for the analytical and life sciences instrumentation market. The valuation of Paraytec has been reviewed following new patent filing of intellectual property, launch of its new product and associated business plans. The Company is represented on the board. The carrying value of Paraytec £3,038,625 (2022: £220,622).

The Company holds a 86% aggregate holding in Kirkstall Limited, a biotechnology company which developed a system of interconnected chambers for cell and tissue culture in laboratories. The valuation of Kirkstall has been reviewed following development of new intellectual property, patent application and launch of its new product and associated business plans. The Company is represented on the Board. The carrying value of Kirkstall is £1,678,844 (2022: £Nil).

The Company holds a 42% aggregate holding on PhaseFocus Holdings Limited, has developed a series of patented computational imaging techniques that have a wide range of applications including live cell imaging, engineering metrology and electron microscopy. The Company is represented on the Board and in the opinion of the directors, neither this shareholding nor the representative entitles the Company to exert a significant or dominant influence over PhaseFocus. The valuation method has changed following consultation with Phasefocus representatives and their advisers. The carrying value of Phase Focus is £2,502,512 (2022: £3,418,573).

The Company holds a 38% aggregate holding on Sentinel Medical Limited, this company is developing a point of care diagnostic device for bladder cancer detection and monitoring. The Company is represented on the Board and in the opinion of the directors, this shareholding nor the representative entitles the Company to exert a significant or dominant influence over Sentinel. The carrying value of Sentinel is £33 (2022: £33).

The Company holds a 38.65% aggregate holding in KDS Architecture Limited, a company which provides architectural services. The Company is not represented on the Board or within management of KDS Architecture and in the opinion of the directors, this shareholding does not entitle the Company to exert a significant or dominant influence over KDS Architecture. The carrying value of KDS Architecture is £76,074 (2022: £nil).



**10 Investments at fair value through profit or loss (continued)**

The registered addresses for these entities are as follows:

Verbalis Limited	Frostineb Cottage, Fala, Pathhead, Midlothian, Scotland, EH37 5TB
Paraytec Limited	York House, Outgang Lane, Osbaldwick, York, England, YO19 5UP
Kirkstall Limited	York House, Outgang Lane, Osbaldwick, York, England, YO19 5UP
Gyrometric Systems Limited	Dockholme Lock Cottage, 380 Bennett Street, Long Eaton, Nottingham, England, NG10 4JF
Phasefocus Holdings Limited	125 Wood Street, London, England, EC2V 7AW
Sentinel Medical Limited	York House, Outgang Lane, Osbaldwick, York, England, YO19 5UP
KDS Architecture Limited	42 Lytton Road, Barnet, England, EN5 5BY

**11 Investment in subsidiaries**

The Company has the following interests in subsidiary undertakings:

Name	Country of Incorporation	Nature of Business	% Interest
Caledonia Portfolio Realisations Limited <i>(i)</i>	Scotland	Investment management	100%
Braveheart Academic Seed Funding GP Limited <i>(i)</i>	England	Investment management	100%
Ridings Holdings Limited <i>(i)</i>	England	Investment management	100%
The Ridings Early Growth Investment Company Limited <i>(ii)</i>	England	Investment management	100%
Paraytec Limited <i>(iii)</i>	England	Development of high performance specialist detectors	100%
Kirkstall Limited <i>(iii)</i>	England	Biotechnology	86%
Combrook Holdings	England	Investment management	60%

*(i) Direct subsidiary of Braveheart Investment Group plc*

*(ii) Indirect subsidiary of Braveheart Investment Group plc*

*(iii) Not consolidated*

Group entities act as General Partner to, and have an interest in, the following limited partnerships:

Name	Place of Business	% Interest
Lachesis Seed Fund	England	0%

**11 Investment in subsidiaries (continued)**

The registered addresses for the subsidiary undertakings are as follows:

Caledonia Portfolio Realisations Limited	1 George Square, Glasgow, Scotland, G2 1AL
Braveheart Academic Seed Funding GP Limited	One Fleet Place, London, EC4M 7WS
Ridings Holdings Limited	One Fleet Place, London, EC4M 7WS
The Ridings Early Growth Investment Company Limited	One Fleet Place, London, EC4M 7WS
Paraytec Limited	York House, Outgang Lane, Osbaldwick, York, North Yorkshire, YO19 5UP
Kirkstall Limited	York House, Outgang Lane, Osbaldwick, York, North Yorkshire, YO19 5UP
Combrook Holdings Limited	Old Linen Court, 83-85 Shambles Street, Barnsley, South Yorkshire, England, S70 2SB

**12 Property, plant and equipment**

GROUP	Furniture, fittings and equipment	Total
	£	£
<b>Cost – At 31 March 2021 Restated</b>	489	489
Additions	646	646
<b>Cost – At 31 March 2022 Restated</b>	<b>1,135</b>	<b>1,135</b>
Additions	-	-
<b>Cost – At 31 March 2023</b>	<b>1,135</b>	<b>1,135</b>
<b>Depreciation - At 31 March 2021 Restated</b>	68	68
Depreciation	271	271
<b>Depreciation – At 31 March 2022 Restated</b>	<b>339</b>	<b>339</b>
Depreciation	378	378
<b>Depreciation – 31 March 2023</b>	<b>717</b>	<b>717</b>
<b>Net Book Value - At 1 April 2023</b>	<b>418</b>	<b>418</b>
<b>Net Book Value - At 1 April 2022 Restated</b>	<b>796</b>	<b>796</b>

COMPANY	Furniture, fittings and equipment	Total
	£	£
<b>Cost – At 31 March 2021 Restated</b>	489	489
Additions	646	646
<b>Cost – At 31 March 2022 Restated</b>	<b>1,135</b>	<b>1,135</b>
Additions	-	-
<b>Cost – At 31 March 2023</b>	<b>1,135</b>	<b>1,135</b>
<b>Depreciation – At 31 March 2021 Restated</b>	68	68
Depreciation	271	271
<b>Depreciation – 31 March 2022 Restated</b>	<b>339</b>	<b>339</b>
Depreciation	378	378
<b>Depreciation – 31 March 2023</b>	<b>717</b>	<b>717</b>
<b>Net Book Value - At 1 April 2023</b>	<b>418</b>	<b>418</b>
<b>Net Book Value - At 1 April 2022 Restated</b>	<b>796</b>	<b>796</b>

**13 Debtors due in over one year**

	Group	Restated Group	Company	Restated Company
	2023	2022	2023	2022
	£	£	£	£
Amounts due from investment companies	1,155,200	813,200	1,155,200	813,200
	1,155,200	813,200	1,155,200	813,200

**14 Trade and other receivables**

	Group	Restated Group	Company	Restated Company
	2023	2022	2023	2022
	£	£	£	£
Trade receivables	31,126	73,161	2,471	30,200
Prepayments and accrued income	22,632	13,395	22,632	13,395
Amounts due from related parties	-	-	111,132	126,054
Amounts due from investment companies	10,752	123,000	10,752	123,000
Other taxes and social security	-	2,226	-	6,336
	64,510	211,782	146,987	298,985

As trade receivables are generally of short-term maturity, the directors consider the carrying amounts to approximate their fair value. All receivables are non-interest bearing and unsecured.

**15 Cash and cash equivalents**

	Group	Restated Group	Company	Restated Company
	2023	2022	2023	2022
	£	£	£	£
Cash at bank and on hand	934,861	1,852,742	684,532	1,602,140

Cash balances are held with HSBC Bank plc and earn interest at floating rates based on daily bank deposit rates.

**16 Trade and other payables**

	Group	Restated Group	Company	Restated Company
	2023	2022	2023	2022
	£	£	£	£
Trade payables	15,833	3,458	15,833	3,458
Amounts due to related parties	-	-	30,472	30,412
Other taxes and social security	32,093	5,801	30,968	5,801
Accruals and other creditors	101,730	149,502	71,284	112,255
	149,656	158,761	148,557	151,926

Due to the short-term maturity of trade payables, the directors consider the carrying amounts to approximate their fair value. Trade payables are non-interest bearing and are normally settled on 30-day terms.

**17 Deferred tax**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

Balances	Group	Group	Company	Company
	2023	2022	2023	2022
	£	£	£	£
Fixed asset investment timing differences	944,050	170,398	944,050	170,398
	944,050	170,398	944,050	170,398

**Movements in the year**

	Group	Company
	£	£
Liability at 1 April 2022	170,398	170,398
Charge to profit and loss	773,652	773,652
Liability at 31 March 2023	944,050	944,050

All deferred tax liabilities will be settled, in greater than one year.

**18 Share capital**

	2023	2022
	£	£
Authorised		
68,674,431 ordinary shares of 2 pence each (2022: 72,240,340 ordinary shares of 2 pence each)	1,373,489	1,444,807
Allotted, called up and fully paid		
63,723,489 ordinary shares of 2 pence each (2022: 52,240,340 ordinary shares of 2 pence each)	1,274,469	1,044,807

The Company has one class of ordinary shares. All shares carry equal voting rights, equal rights to income and distribution of assets on liquidation or otherwise, and no right to fixed income.

**Reconciliation of movements during the year**

	Share Premium	Share Capital
<b>At 1 April 2022</b>	<b>4,371,343</b>	<b>1,044,807</b>
Issue of fully paid shares	1,034,118	229,662
Cost of shares issued	(34,750)	-
<b>At 31 March 2023</b>	<b>5,370,711</b>	<b>1,274,469</b>

**Reconciliation of share movements during the year**

<b>At 1 April 2022</b>	<b>52,240,340</b>
Issue of fully paid shares	11,483,149
<b>At 31 March 2023</b>	<b>63,723,489</b>

**19 Share-based payments**

**Share Option Scheme**

On 17 December 2020, the company created a share scheme in order to provide a long term incentive plan for the directors, employees and consultants of the group “the Share Option Plan”.

**2020 Award**

On 17 December 2020 a number of directors, employees and consultants were awarded 2,350,000 shares at an exercise price of £0.17. There were no conditions attached to these and they expire 10 years from the date of grant. The share based payment was worked out on the Black Scholes model. The following information is relevant in the determination of the fair value of options granted under the 2020 award.

Grant date	17/12/2020
Number of awards	2,350,000
Share price	£0.17
Exercise price	£0.17
Expected dividend yield	-
Expected volatility	171.74%
Risk free rate	0.40%
Vesting period	10 years
Expected life (from date of grant)	1.5 years

The share based payment charge for the year ended 31 March 2023 was £Nil (2022: £Nil).

**2021 Award**

On 13 October 2021 two directors were awarded 3,500,000 shares at an exercise price of £0.315. The options vest on 14 October 2022 and are exercisable up to 14 October 2031. The options are also subject to performance criteria under which the options can only be exercised if the average share price over a 30 consecutive calendar day period has been 20 per cent. higher than the option exercise price. The share based payment was worked out on the Monte Carlo model. The following information is relevant in the determination of the fair value of options granted under the 2020 award.

Grant date	14/10/2021
Number of awards	3,500,000
Share price	£0.315
Exercise price	£0.315
Expected dividend yield	-
Expected volatility	69.27%
Risk free rate	0.372%
Vesting period	10 years
Expected life (from date of grant)	1 year

The share based payment charge for the year ended 31 March 2023 was £208,645 (2022: £177,930).

During the year 523,808 shares were surrendered.

On 9 May 2022, 1,500,000 were cancelled and replaced with shares under new conditions. The exercise price of the New Options is 14p, being the closing mid-market price of an Ordinary Share on 6 May 2022, the latest practicable date prior to the date of grant. The New Options will vest from 9 May 2023 and be exercisable up to 9 May 2032, subject to continued employment and an additional performance related criteria that the closing price of an Ordinary Share must exceed 31.5p, being the exercise price of the Historic Options, for 10 days within any period of 30 days. The share based payment was worked out under the Monte Carlo model and didn't result in a share based payment charge.

**2023 Award**

On 27 March 2023, a further 2,500,000 were granted to two board members and could be vested over the next 12 months, once certain performance criteria were met. As these were market related, the Monte Carlo model was used. A further 450,000 shares were granted to two board members and one other person not on the board. There were no performance conditions attached to these options.

The following information is relevant in the determination of the fair value of options granted under the 2020 award.

	Shares with options	Shares without options
Grant date	27/03/2023	27/03/2023
Number of awards	2,500,000	450,000
Share price	£0.078	£0.078
Exercise price	£0.078	£0.078
Expected dividend yield	-	-
Expected volatility	50.91%	50.91%
Risk free rate	5.10%	5.10%
Vesting period	10 years	10 years
Expected life (from date of grant)	1.5 years	1.5 years

The share based payment charge for the year ended 31 March 2023 was £10,578 (2022: £Nil)

**Share Options arising from the New Scheme**

The current year movement in Share Options is summarised below:

Date of Grant	At 1 April 2022	No of Options granted in year	No of Options exercised in year	No of Options lapsed in year	At 31 March 2023	Exercise Price	Date first exercisable	Expiry date
<b>Employment Options granted</b>								
17 Dec 2020	1,096,000	-	-	-	1,096,000	£0.17	17 Dec 2020	16 Dec 2030
14 Oct 2021	3,500,000	-	-	(523,808)	2,976,192	£0.315	14 Oct 2022	14 Oct 2031
27 Mar 2023	-	2,900,000	-	-	2,900,000	£0.0775	27 Mar 2024	27 Mar 2033
27 Mar 2023	-	50,000	-	-	50,000	£0.0775	27 Mar 2023	27 Mar 2033
	4,596,000	2,950,000	-	(523,808)	7,022,192			

The weighted average price was £0.19 (2022: £0.28).

The previous year movement in Share Options is summarised below:

Date of Grant	At 1 April 2021	No of Options granted in year	No of Options exercised in year	No of Options lapsed in year	At 31 March 2022	Exercise Price	Date first exercisable	Expiry date
<b>Employment Options granted</b>								
17 Dec 2020	1,140,000	-	(44,000)	-	1,096,000	£0.17	17 Dec 2020	16 Dec 2030
14 Oct 2021	-	3,500,000	-	-	3,500,000	£0.315	14 Oct 2022	13 Oct 2031
	1,140,000	3,500,000	(44,000)	-	4,596,000			

The charge made in respect of the fair value of options granted was:

	2023	2022
	£	£
Expense arising from equity-settled share-based payments transactions	219,223	177,930

## 20 Related party disclosures

Trade and other receivables (note 14) include the following amounts due from subsidiary undertakings:

	2023	Restated 2022
	£	£
The Ridings Early Growth Investment Company Limited	105,504	105,504
Braveheart Academic Seed Funding	5,628	20,550
	111,132	126,054

Trade and other payables (note 16) include the following amounts due to subsidiary undertakings:

	2023	2022
	£	£
Ridings Holdings Limited	30,412	30,412
Combrook Holdings Limited	60	-
	30,472	30,412

All above amounts are unsecured, interest free and repayable on demand. Transactions between the Company and its subsidiaries are eliminated on consolidation.

The Directors have agreed that, while amounts due to Group companies are included in trade and other payables due within one year as they are technically payable on demand, payment of these amounts will not be required unless the company is able to do so.

During the year, Braveheart charged the Ridings Early Growth Investment Company Ltd £Nil (2022: £75,277) in respect of a management charge. During the year, Braveheart Investment Group Plc generated revenue of £26,674 (2022: £43,090) from The Lachesis Seed Fund Limited Partnership, a General Partner that the group have an interest in.

During the year, Braveheart charged Kirkstall Limited £15,000 (2022: £19,667) in respect of a management charge. The balance owed to Braveheart at year end was £10,752 (2022: £153,200).

At the year end, Paraytec owed Braveheart £1,155,200 (2022: £813,200).

Non-Executive Director, Qu Li, is also a Director and major shareholder of Agile Impact Capital Ltd. During the year Agile Capital Impact Ltd charged the Braveheart Investment Group plc a total of £31,750 (2022: £26,750) in respect of services provided by Dr Li. The balance outstanding at year end was £3,300 (2022: £nil).

**21 Financial risk management objectives and policies (Group and Company)**

The Group and Company's financial instruments comprise investments designated at fair value through profit or loss, cash and various items such as trade and other receivables, and trade and other payables, all of which arise directly from its normal operations.

The carrying values of all of the Group and Company's financial instruments approximate their fair values at 31 March 2023 and 31 March 2022. The Accounting Policies described in note 2 outlines how the financial instruments are measured.

An analysis of the statement of financial position, relevant to an analysis of risk management, is as follows:

	<b>Financial instruments</b>			
	<b>Designated at fair value through profit or loss</b>	<b>Loans and receivables at amortised cost</b>	<b>Non-financial assets &amp; financial assets outside the scope of IFRS 9</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>GROUP</b>				
<b>2023</b>				
Investments	9,458,324	-	-	9,458,324
Trade and other receivables	-	1,197,078	22,632	1,219,710
Cash and cash equivalents	-	934,861	-	934,861
	<b>9,458,324</b>	<b>2,131,939</b>	<b>22,632</b>	<b>11,612,895</b>
<b>2022 Restated</b>				
Investments	4,937,155	-	-	4,937,155
Trade and other receivables	-	1,011,587	13,395	1,024,982
Cash and cash equivalents	-	1,852,742	-	1,852,742
	<b>4,937,155</b>	<b>2,864,329</b>	<b>13,395</b>	<b>7,814,879</b>
<b>COMPANY</b>				
<b>2023</b>				
Investments	9,423,482	-	-	9,423,482
Trade and other receivables	-	1,279,555	22,632	1,302,187
Cash and cash equivalents	-	684,532	-	684,532
	<b>9,423,482</b>	<b>1,964,087</b>	<b>22,632</b>	<b>11,410,201</b>
<b>2022 Restated</b>				
Investments	4,892,547	-	-	4,892,547
Trade and other receivables	-	1,098,790	13,395	1,112,185
Cash and cash equivalents	-	1,602,140	-	1,602,140
	<b>4,892,547</b>	<b>2,700,930</b>	<b>13,395</b>	<b>7,606,872</b>



21 Financial risk management objectives and policies (Group and Company) (continued)

	Other financial liabilities at amortised cost £	Financial liabilities at fair value £	Total £
<b>GROUP</b>			
<b>2023</b>			
Trade and other payables	149,656	-	149,656
Borrowings	-	-	-
	149,656	-	149,656
<b>2022 Restated</b>			
Trade and other payables	158,761	-	158,761
Borrowings	-	-	-
	158,761	-	158,761
<b>COMPANY</b>			
<b>2023</b>			
Trade and other payables	148,557	-	148,557
	148,557	-	148,557
<b>2022 Restated</b>			
Trade and other payables	151,926	-	151,926
	151,926	-	151,926

One of the Group's principal objectives and policies is to achieve income and capital gains through investment in equity shares in a portfolio of UK companies, the majority of which are unlisted.

Through its normal operations the Group is exposed to a number of financial risks, namely credit risk, liquidity risk and market risk. The Board reviews and agrees policies for managing each of these risks as summarised below.

**Credit risk**

Credit risk arises from the exposure to the risk of loss if the counterparty fails to perform its financial obligations to the Group. The Group's financial assets predominantly comprise investments designated at fair value through profit or loss, and cash. In accordance with its Investment Policy, the Group seeks to manage credit risk related to its investments through detailed investment selection criteria and diversification and by placing limits on individual investments. In accordance with its Treasury Policy, the Group seeks to mitigate this risk on cash by placing funds only with banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk within any of its other financial assets. Included within such other financial assets are balances which are past due at the reporting date for which the Group has not provided as there has not been a significant change in their credit quality and which the Group believes are fully recoverable. The age profile of the Group and Company's other financial assets is as follows:

**21 Financial risk management objectives and policies (continued)**

	Neither past due nor impaired £	Less than 3 months £	3 to 12 months £	More than 1 year £	Total £
<b>GROUP</b>					
<b>2023</b>					
Trade receivables	5,355	5,071	2,400	18,300	31,126
Other receivables	1,188,584	-	-	-	1,188,584
	1,193,939	5,071	2,400	18,300	1,219,710
<b>2022 Restated</b>					
Trade receivables	26,761	3,600	21,300	21,500	73,161
Other receivables	951,821	-	-	-	951,821
	978,582	3,600	21,300	21,500	1,024,982
<b>COMPANY</b>					
<b>2023</b>					
Trade receivables	2,471	-	-	-	2,471
Other receivables	22,632	-	-	-	22,632
Amounts due from related parties	111,132	-	-	-	111,132
Amounts due from investment companies	1,165,952	-	-	-	1,165,952
	1,302,187	-	-	-	1,302,187
<b>2022 Restated</b>					
Trade receivables	1,500	3,000	21,300	4,400	30,200
Other receivables	19,731	-	-	-	19,731
Amounts due from related parties	126,054	-	-	-	126,054
Amounts due from investment companies	936,200	-	-	-	936,200
	1,083,485	3,000	21,300	4,400	1,112,185

The Group considers its exposure to credit risk is negligible. The Group's bank balance of £934,861 at the year-end is held in a bank with a high credit rating and the trade and other receivables of £1,219,710 are closely monitored as part of the credit control process.

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group seeks to manage its liquidity risk by holding sufficient cash reserves to meet foreseeable needs, and by investing cash assets safely. The Group continuously monitors rolling cash flow forecasts to ensure sufficient cash is available for anticipated cash requirements and, in accordance with its Treasury Policy, the Group only invests cash assets with reputable counterparties.

**21 Financial risk management objectives and policies (continued)**

The maturity profile of the Group and Company's financial liabilities is as follows:

	On demand	Less than 3 months	3 to 12 months	More than 1 year	Total
	£	£	£	£	£
<b>GROUP</b>					
<b>2023</b>					
Trade and other payables	144,362	4,159	1,135	-	149,656
	144,362	4,159	1,135	-	149,656
<b>2022 Restated</b>					
Trade and other payables	158,678	83	-	-	158,761
	158,678	83	-	-	158,761
<b>COMPANY</b>					
<b>2023</b>					
Trade and other payables	112,791	4,159	1,135	-	118,085
Amounts due to related parties	30,472	-	-	-	30,472
	143,263	4,159	1,135	-	148,557
<b>2022 Restated</b>					
Trade and other payables	121,431	83	-	-	121,514
Amounts due to related parties	30,412	-	-	-	30,412
	151,843	83	-	-	151,926

**Market Risk**

Market risk is the risk that changes in market conditions such as equity prices, interest rates and foreign exchange rates will have an adverse impact on the Group's financial position or results.

**Equity price risk**

The Group is exposed to equity price risk due to uncertainties about future values of its portfolio of listed and unlisted equity investments. The Group manages such equity price risk in a similar way to credit risk through detailed investment selection criteria and diversification and by placing limits on individual investments. Investments are monitored carefully and the Board reviews the portfolio on a regular basis.

21 Financial risk management objectives and policies (continued)

**Interest rate risk**

The Group finances its operations through equity funding as opposed to debt and therefore minimises its exposure to interest rate risks. The Group and Company's financial instruments are non-interest bearing, with the exception of loan notes which attract fixed rate interest, and cash balances which attract variable interest rates determined with reference to the bank interest rate.

The interest rate profile of the Group and Company's financial instruments is as follows:

	Fixed Rate	Variable Rate	Interest free	Total
	£	£	£	£
<b>GROUP</b>				
<b>2023</b>				
<b>Financial assets</b>				
Investments: equity	-	-	9,458,324	9,458,324
Cash and cash equivalents	-	934,861	-	934,861
Other financial assets	-	-	1,219,710	1,219,710
	-	934,861	10,678,034	11,612,895
<b>Financial liabilities</b>				
Other financial liabilities	-	-	149,656	149,656
	-	-	149,656	149,656
<b>2022 Restated</b>				
<b>Financial assets</b>				
Investments: equity	-	-	4,937,155	4,937,155
Cash and cash equivalents	-	1,852,742	-	1,852,742
Other financial assets	-	-	1,024,982	1,024,982
	-	1,852,742	5,962,137	7,814,879
<b>Financial liabilities</b>				
Other financial liabilities	-	-	158,761	158,761
	-	-	158,761	158,761
<b>Interest rate risk</b>				
	Fixed Rate	Variable Rate	Interest free	Total
	£	£	£	£
<b>COMPANY</b>				
<b>2023</b>				
<b>Financial assets</b>				
Investments: equity	-	-	9,423,482	9,423,482
Cash and cash equivalents	-	684,532	-	684,532
Other financial assets	-	-	1,302,187	1,302,187
	-	684,532	10,725,669	11,410,201

**21 Financial risk management objectives and policies (continued)**

<b>Financial liabilities</b>				
Other financial liabilities	-	-	148,557	148,557
	-	-	148,557	148,557

**2022 Restated**

<b>Financial assets</b>				
Investments: equity	-	-	4,892,547	4,892,547
Cash and cash equivalents	-	1,602,140	-	1,602,140
Other financial assets	-	-	1,112,185	1,112,185
	-	1,602,140	6,004,732	7,606,872

<b>Financial liabilities</b>				
Other financial liabilities	-	-	151,926	151,926
	-	-	151,926	151,926

It is estimated that the maximum effect of a one percentage point (100 basis points) fall in interest rates to which the Group is exposed would be a decrease in profit before tax for the twelve months to 31 March 2023 of £9,349 (2022: £18,527). For the company, this would be £6,845 (2022: 16,021).

**Foreign currency risk**

The Group has no material exposure to foreign currency risk.

**22 Ultimate controlling party**

There is no ultimate controlling party.

**23 Prior year adjustment**

The accounts have been restated in order to take Kirkstall Limited and Paraytec Limited out of the group accounts. IFRS 10 provides mandates that an investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity, excluding any subsidiary that is itself an investment entity and whose main purpose and activities are providing services that relate to the investment entity's investment activities. As such, the consolidation of Kirkstall Ltd and Paraytec Ltd in the prior year's financial statements is deemed to be not in accordance with IFRS 10 and as such requires correction and the prior-year figures should be restated to reflect this change. The effects are stated below.

**Changes to the Consolidated Statement of Financial Position**

	As previously reported	Adjustment at 1 April 2021	Adjustment at 31 March 2022	Restated 31 March 2022
	£	£	£	£
<b>Non current assets</b>				
Property, plant and equipment	1,776	(1,745)	765	796
Intangible assets	26,103	(28,152)	2,049	-
Goodwill	205,775	(205,775)	-	-
Investments at fair value through profit or loss	4,716,080	221,075	-	4,937,155
Debtors due in over one year	-	371,200	442,000	813,200

**23 Prior year adjustment (Continued)**

	As previously Reported 31 March 2022	Adjustment at 1 April 2021	Adjustment at 31 March 2022	Restated 31 March 2022
	£	£	£	£
<b>Current assets</b>				
Inventory	90,113	(98,441)	8,328	-
Trade and other receivables	123,412	(69,292)	157,662	211,782
Cash and cash equivalents	1,893,931	(9,120)	(32,069)	1,852,742
<b>Current liabilities</b>				
Trade and other payables	(272,432)	117,906	(4,235)	(158,761)
Deferred income	(7,025)	41,843	(34,818)	-
<b>Equity</b>				
Retained earnings	899,202	431,915	429,414	1,760,531
Total equity	6,607,335	437,940	441,241	7,486,516

**Changes to the consolidated income statement**

	As previously Reported 31 March 2022	Adjustment	Restated 31 March 2022
	£	£	£
Total income	185,814	(121,557)	64,257
Total costs	(1,390,801)	629,148	(761,653)
Tax	(104,048)	(66,350)	(170,398)
Profit for the year	1,441,977	441,241	1,883,218

**Changes to the consolidated cash flow**

	As previously Reported 31 March 2022	Adjustment	Restated 31 March 2022
	£	£	£
Cash flow from operating activities	(1,269,438)	(41,903)	(1,311,341)
Net cash flow from investing activities	(1,402,827)	9,834	(1,392,993)
Net cash flow from financing activities	2,423,330	-	2,423,330
Net decrease in cash and cash equivalents	(248,935)	(32,069)	(281,004)
Cash and cash equivalents at the beginning of the year	2,142,866	(9,120)	2,133,746
Cash and cash equivalents at the end of the year	1,893,931	(41,189)	1,852,742

The figures in the individual company has not changed apart from classification of investment held at cost to investment at fair value through the profit and loss and so a detailed breakdown has not been provided.

**BRAVEHEART INVESTMENT GROUP PLC**

("The Company")

**NOTICE OF ANNUAL GENERAL MEETING**

(registered in Scotland with company number SC247376)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held on 28 July 2023 at 10.30 am at the office of China Ventures Ltd, Unit 2, Common Farm, Common Lane, Mappleborough Green, Warwickshire, B80 7DP to consider the following resolutions:

**Ordinary Business**

To consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions of the Company:

**Resolution 1**

THAT the audited accounts of the Company for the financial year ended 31 March 2023 and the reports of the directors and auditors thereon be received.

**Resolution 2**

THAT PKF Littlejohn LLP be re-appointed as auditors of the company to hold office until the conclusion of the next general meeting of the Company before which audited accounts are laid.

**Resolution 3**

THAT the directors be authorised to determine the remuneration of the auditors.

**Resolution 4**

THAT Trevor Edward Brown who retires by rotation under article 109.1 of the Company's existing Articles of Association, be re-elected as a director of the Company.

**Resolution 5**

THAT the directors be authorised to replace the Investment Strategy as set out in Part 1 of the Admission Document dated 27 March 2007, which determines the permitted business and strategy of the Company, with the following words:

**4. NEW INVESTMENT STRATEGY**

The Group's strategy is to invest in early and later-stage businesses, primarily in the technology sector, but it will also consider opportunities in other sectors that are knowledge intensive, such as healthcare and professional services.

The Group will target investments in both unlisted and listed companies, where there is potential for significant growth. Investments are expected to be mainly in the form of equity and equity-related instruments, including convertible debt instruments in certain circumstances.

The Group may acquire investments directly or by way of holdings in intermediate holding or subsidiary entities. The Group might also invest in limited liability partnerships and other forms of legal entity. Where possible, the Group will seek investor protection rights, as determined by the Board. The Group may offer its Ordinary Shares in exchange for shares in investee businesses in addition to a cash investment in such businesses.

For unlisted company investments, the Group targets companies at different stages of development, ranging from those which are just starting to trade to those which are expecting to achieve an IPO in the short term, thus providing portfolio diversification. These investments will typically involve active investment management.

The Group, where appropriate and deemed by the Board to be in the Group's best interests, may seek a position on the boards of unlisted investee companies. The Group where appropriate, will assist the board and management of investee companies, including helping to scale management teams, informing strategy and assisting with future financing.

For listed company investments, the Group targets investments where the Board considers the shares are undervalued but there are opportunities for significant growth. These investments will typically involve passive investment management, although the Board may take a more active approach if it considers there is a need to effect change.

Braveheart may occasionally invest in companies that are in rescue or distress situations where a value-creating opportunity has been identified.

The Group does not have any maximum exposure limits but will generally take a minority stake in a business and look for investments where there is a good prospect of an exit in a two-to-five-year time period. As risk reduces, the Group may increase its investment in subsequent rounds of funding and, as those businesses grow, may find itself holding a controlling interest in some trading companies. However, in such instances

the Board will ensure that there is sufficient separation between the Group and the investee company so that the investee company does not become a trading company of the Group.

**Resolution 6**

THAT the directors be generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the CA 2006) to allot or grant rights to subscribe for shares in the Company up to an aggregate nominal amount of £400,000 provided that this authority shall, unless reviewed varied or revoked by the Company, expire on the expiry of the next Annual General Meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted and the directors may allot shares in the Company in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot shares pursuant to section 551 of the CA 2006 but without prejudice to any allotment of shares or grants of rights already made, offered or agreed to be made pursuant to such authorities.

**Special Business**

To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution of the Company:

**Resolution 7**

THAT, subject to the passing resolution 6 above, the directors, pursuant to the general authority conferred on them, be empowered pursuant to section 570 of the CA 2006 to allot for cash equity securities (as defined in section 560 of the CA 2006) as if section 561 of the CA 2006 did not apply to such allotment provided that this power shall be limited to the allotment of equity securities wholly for cash up to an aggregate nominal value of £400,000 being 31.39% of the issued share capital of the Company and shall expire on the expiry of the next Annual General Meeting of the Company, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

Registered office:  
c/o Dentons  
1 George Square  
Glasgow G2 1AL

BY ORDER OF THE BOARD  
**Trevor E Brown**  
CEO

30 June 2023



**Explanations of the Resolutions proposed.**

**Explanation of Resolution 1:** The directors are required by law to present to the shareholders of the Company at a general meeting the audited accounts of the Company for the financial year ended 31 March 2023 and the reports of the directors and auditors thereon. The report of the directors and the audited accounts have been approved by the directors and the report of the auditors has been approved by the auditors. A copy of each of these documents may be found in the annual report of the Company.

**Explanation of Resolution 2:** The auditors are responsible for examining the annual accounts of the Company and forming an opinion as to whether or not they give a true and fair view of its results and the financial position. It is a requirement of law that the Company appoint auditors at each meeting at which accounts are presented to shareholders, such appointment to continue until the next audited accounts of the Company.

**Explanation of Resolution 3:** The resolution gives the directors of the Company the authority to determine the remuneration paid to the auditors for the next financial year. The amount of the remuneration for the next financial year will be disclosed in the next audited accounts of the Company.

**Explanation of Resolution 4:** Trevor Edward Brown, a director of the Company, is retiring by rotation pursuant to the requirements of the Company's Articles of Association and is making himself available for re-election.

**Explanation of Resolution 5:** It is being proposed to replace the existing Investment Strategy authority of the directors of the Company to as set out in the Admission Document and approved by shareholders on 27 March 2007 with a New Investment Strategy. Your board of directors considers this New Investment Strategy better reflects the business opportunities and market conditions that the Company now faces and recommends this amendment be approved by shareholders.

**Explanation of Resolution 6:** It is being proposed to replace the existing authority of the directors of the Company to allot shares in the Company (or rights in respect thereof) in connection with section 551 of the CA 2006. The directors are seeking authority to issue up to 20,000,000 shares having an aggregate nominal value of £400,000, representing 31.39% of the issued share capital of the Company, such authority to expire on the expiry of the next Annual General Meeting of the Company.

The limitations to the directors' authority do not extend to:

- The allotment of shares, or the grant of a right to subscribe for, or convert any security into, shares in the Company pursuant to an employee's share scheme (as defined by section 1166 of CA 2006); or
- The allotment of shares pursuant to a right to subscribe for, or convert securities into, shares in the Company previously granted in accordance with directors' authority.

**Explanation of Resolution 7:** This resolution, proposed as a special resolution, supplements the directors' general authority to allot shares as conferred on them pursuant to Resolution 6. Section 561 of the CA 2006 requires a Company proposing to allot equity securities to offer them first to existing shareholders in proportion to their existing shareholdings. If passed, this requirement will not apply to allotment of shares for cash up to a nominal value of £400,000 being 31.39% of the issued share capital of the Company. This authority enables the directors to raise additional equity capital through an issue of shares for cash. This authority will expire after one year or at the date of the next Annual General Meeting, whichever is earlier.

**Notice of Annual General Meeting notes:**

The following notes explain your general rights as a shareholder and your right to vote at this Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 26 July 2023. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting at 10.30am (UK time) on 28 July 2023 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by that shareholder. A proxy need not be a shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. You can vote either:
  - by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions; if you need help with voting online please contact our registrar, Link Group by emailing at [shareholderenquiries@linkgroup.xo.uk](mailto:shareholderenquiries@linkgroup.xo.uk) or by telephone on 0371 664 0300 if calling from the UK, or +44 (0)371 664 0300 if calling from outside of the UK.
  - if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 10:30am on 26 July 2023 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed.

- By requesting a hard copy form of proxy directly from the registrars, Link Group, by email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or on Tel: 0371 664 0300. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.
- In any case in order to be valid the form of proxy must be received by Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL by 10.30am on 26 July 2023.

7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. Submission of a Proxy vote shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.
9. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion or withhold from voting.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
12. As at 29 June 2023 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 63,723,489 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 29 June 2023 are 63,723,489.
13. Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
14. Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
15. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting:
  - + copies of the Directors' letters of appointment or service contracts.
16. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website: [braveheartgroup.co.uk](http://braveheartgroup.co.uk).

**Directors, Secretary, Registered Office and Advisers**

**Directors**

Trevor E Brown, *Chief Executive Officer*  
 Dr Susan A Hagan *Non-executive Director (a) (r) (appointed 18 May 2021)*  
 Dr Qu Li *Non-executive Director (a) (r) (appointed 16 June 2021)*  
 Vivian D Hallam, *Executive Director*

*(a) Member of Audit and Compliance Committee*  
*(r) Member of Remuneration Committee*

**Secretary**

GBAC Limited

**Registration Number**

SC247376

**Registered Office**

1 George Square  
 Glasgow  
 G2 1AL  
 Telephone +44 (0) 1738 587555

**Website**

[www.braveheartgroup.co.uk](http://www.braveheartgroup.co.uk)

**Advisers**

**Registrar**

Link Group  
 Central Square  
 29 Wellington Street  
 Leeds  
 LS1 4DL

**Auditor**

PKF Littlejohn LLP  
 15 Westferry Circus  
 London  
 E14 4HD

**Solicitors**

Maclay Murray & Spens LLP  
 Quatermile One  
 15 Lauriston Place  
 Edinburgh  
 EH3 6EP

**Nominated Adviser and Broker**

Allenby Capital Limited  
 5 St Helen's Place  
 London  
 EC3A 6AB

**Principal Bankers**

HSBC Bank plc  
 76 Hanover Street  
 Edinburgh  
 EH2 1HQ

**Bankers**

Bank of Scotland plc  
 Pentland House  
 8 Lochside Avenue  
 Edinburgh  
 EH12 9DJ



**BRAVEHEART**  
INVESTMENT GROUP

**Stock code: BRH**

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