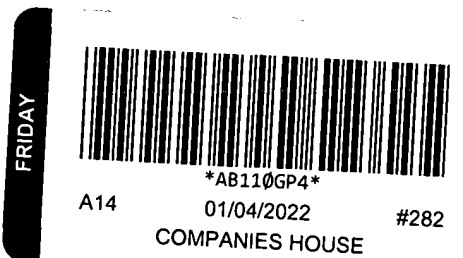


Company No: 12723377

**Annual Report and Financial Statements
for the Period 6 July 2020 to 30 September 2021
for
S-VENTURES PLC**



S-VENTURES

Contents of the Consolidated Financial Statements for the Period 6 July 2020 to 30 September 2021

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	10
Report of the Independent Auditors	16
Consolidated Statement of Profit or Loss	23
Consolidated Statement of Profit or Loss and Other Comprehensive Income	24
Consolidated Statement of Financial Position	25
Company Statement of Financial Position	27
Consolidated Statement of Changes in Equity	28
Company Statement of Changes in Equity	29
Consolidated Statement of Cash Flows	30
Notes to the Consolidated Statement of Cash Flows	31
Notes to the Consolidated Financial Statements	32

S-VENTURES

Company Information for the Period 6 July 2020 to 30 September 2021

DIRECTORS:

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

SECRETARY:

R D Hewitt

FINANCIAL ADVISOR:

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

AUDITORS:

PKF Littlejohn LLP
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London E14 4HD

LAWYERS:

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20 Primrose Street
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REGISTRARS:

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Neville House
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Halesowen
B62 8HD

**FINANCIAL PR AND INVESTOR
RELATIONS:**

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20 Birchin Lane
London EC3V 9DU

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Surrey
KT14 6LB

REGISTERED NUMBER:

12723377 (England and
Wales)

S-VENTURES PLC

Group Strategic Report for the Period 6 July 2020 to 30 September 2021

S-Ventures, which invests in, acquires and grows businesses in the natural wellness, food-tech and organic snacking sector, is pleased to announce the audited results of the Company for the period ended 30 September 2021.

Highlights

- IPO and subsequent fundraisings totalling £6.7 million, including £3.7 million fundraising in May 2021 and a further £3m raised post period end in December 2021
- Admission to listing on AQSE Growth Market ("Aquis") in September 2020 (ticker: SVEN) and admission to trading on the US OTCQB Venture Market in May 2021 (ticker: SVTPF) to provide access for US investors
- Acquisition of 75.1% of We Love Purely Limited (January 2021), a healthy snacking company selling a range of plantain flavoured crisps under the Purely Plantain Chips brand
- Acquisition of 75.1% of Ohso Chocolate Limited (February 2021), a health conscious chocolate company selling premium Belgian chocolate bars with encapsulated probiotics
- Acquisition of 100% of Pulsin Limited (July 2021), a plant-based nutrition company, excelling in plant-based nutrition technology, manufacturing and sales, with a focus on healthy protein bars, nutritional snacks and Keto bars
- Investment in 50% of Vegan Punk Ventures Ltd (August 2021), a healthy foods company developing plant-based meat and fish alternatives that promote both healthy living and sustainable agriculture
- Key appointments to the Board of David Mitchell as Chairman, a highly experienced entrepreneur and private investor, and Bhanu Choudhrie, a renowned investor with a wealth of experience in private and public markets
- Strong appointments as advisors to the Board of Andrew Jennings, a food industry and M&A specialist and formerly MD of Kraft Foods/Mondelez UK and Julien Machot, Managing Partner of VERSO Capital
- Continued growth in the pipeline of potential attractive candidate businesses for investment, S-Ventures has benefitted both from its own growing reputation and also a challenging environment for growing businesses
- Operational focus on building revenue and operational synergies from wholly-owned/controlled subsidiaries, maintaining a lean cost base while making investments enabling revenue growth

Financial Highlights

	16 months ended 30 September 2021
Revenue	£1.5m
Profit / (Loss) from operations	(£1.0m)
Profit / Loss after tax	(£0.8m)
Cash *	£0.2m
EPS / LPS (in pence per share)	(0.76)

*A further £3m was raised post year end

S-VENTURES PLC

Group Strategic Report for the Period 6 July 2020 to 30 September 2021

The businesses acquired and the sector operated in can be summarised as follows:-

Company:	Date Acquired	Stake	Business
We Love Purely Limited	22 January 2021	75.1%	Plantain flavoured crisps
Ohso Chocolate Limited	16 February 2021	75.1%	Probiotic chocolate
Pulsin Limited	23 July 2021	100%	Protein bars
Vegan Punk Limited	Incorporated 3 June 2021	50%	Plant based foods

Commenting, Scott Livingston, CEO of S-Ventures, said:

" This is the first set of audited results since our Company's successful listing on the Aquis Growth Market. I am delighted with the progress that has been made since our listing, which has continued into the current year. With the excellent support from our shareholders we have the means to take advantage of the high quality opportunities available to us to both develop our fast growing brands in the natural and organic consumer space, and complete further acquisitions. I look forward to reporting on the Company's further progress in the months to come."

Enquiries

S-Ventures PLC

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S-VENTURES PLC

Group Strategic Report for the Period 6 July 2020 to 30 September 2021

CHAIRMAN'S STATEMENT

The Board is delighted to present the Company's first set of audited results for the period from incorporation on 6 July 2020 to 30 September 2021. Since listing on the AQSE Growth Market in September 2020, the Company has made rapid progress acquiring majority stakes in three fast growing companies and investing in two more. Its ability to identify targets and complete transactions has resulted in the Company being able to raise significant investment funds at attractive prices.

Investment strategy and target markets

S-Ventures looks to identify investment opportunities in the health & wellness, organic food and wellbeing sectors within the UK and Europe. The Company plans to add value by adding capital and expertise to the target companies. The experience and operational skills of the Board are intended to act as an accelerator to smaller brands that have a strong foundation and platform but may lack specific skills and capital. The main objectives will be to cross fertilise opportunities between the target companies and to scale the individual entities and look for exit opportunities and or synergistic collaborations. We believe that scaling can create significant value creation for all stakeholders.

Acquisitions and investments

S-Ventures listed on Aquis in September 2020 and the Company has been actively building its portfolio through acquisitions and investments. Excellent progress has been made, including:

- Acquisition of 3.3% stake in Coldpress Food Limited in September 2020 and a convertible loan allowing S-Ventures to increase its holding to 6.2% on conversion. In November 2020, the Company invested a further £75,000 into Coldpress via a secured convertible loan note which, if exercised, would convert so as to increase S-Ventures' shareholding to 8.6%.
- Acquisition of 75.1% interest in We Love Purely Limited in January 2021.
- Acquisition of 75.1% interest in Ohso Chocolate Ltd February 2021.
- Acquisition of 100% interest in Pulsin Limited in July 2021.
- Acquisition of 50% stake in Vegan Punk Ventures Limited (trading as "Plant Punk") in August 2021 and agreement to invest up to £100,000 in loans.

Further details on the acquisitions and investments are set out in the Chief Executive's report below. Since the year end, the Board has continued to review a number of attractive potential opportunities.

Board and advisory board strengthened

In April 2021, the Company announced the appointment of Bhanu Choudhrie as a non-executive director to join forces and help to grow S-Venture's business as it seeks to acquire and grow in the organic snacking and wellness consumer brands sector. Bhanu runs and operates a private equity and family office business spanning the world in a wide range of sectors including hotels, banking, aviation, property and technology. Bhanu's experience in M&A, private equity and capital raising on the public markets in both the UK and USA will prove invaluable for the development of S-Ventures in the future

In September 2021, Andrew Jennings joined S-Ventures as an advisor to the Board. Andrew is an inspiring business leader highly respected for strategic thinking, pragmatism and delivering progressive organisational change. With a track record of positive results, Andrew was instrumental in the successful growth of Pulsin Limited prior to its recent acquisition by S-Ventures.

Andrew has worked extensively across multi-category operations encompassing sweet snacks, chilled foods, and ambient grocery, including more than eight years as board director of Kraft Foods / Mondelez UK, where he was latterly Managing Director, steering the UK business from £0.4bn to £2bn per annum turnover through growth and acquisition.

In addition, Andrew has been involved in European and Global strategy for many years encompassing M&A, including the £11bn acquisition of Cadbury. Andrew's experience and expertise across the sector will be an invaluable asset to the future growth and success of S-Ventures PLC.

S-VENTURES PLC

Group Strategic Report for the Period 6 July 2020 to 30 September 2021

In November 2021, Julien Machot joined the Company's advisory board. Julien is the Managing Partner of VERSO Capital, an asset manager focused on alternative assets, including private equity, venture capital especially in food technology and agri-technology, and real estate. Julien started his career as an entrepreneur in the field of management education, building a successful company across 14 European countries. In 2012, Julien sold his company and started his career in Private Banking in Switzerland where he worked for Mirabaud and for EFG Bank. Since 2017, following the launch of VERSO Capital, he has invested in high-profile food technology companies including Impossible Foods, EAT Just, and TurtleTree Labs. To date, Julien has invested over USD 400 million while expanding VERSO Capital operations in Switzerland, Liechtenstein, the United Arab Emirates and offshore in the British Virgin Islands with its own regulated professional mutual fund.

Summary

The Company's first year as a public company has been one of rapid and significant progress. The successful listing on Aquis has provided a suitable platform for the Company to complete a series of acquisitions and investments in wellness and wellbeing branded goods and services. The Board is particularly grateful to its shareholders that supported its growth aspirations as the Company goes from strength to strength. The pipeline of opportunities remains considerable as the Board looks to continue to invest in exciting brands in the natural and organic consumer space. The Board is excited about the future prospects of the business and looks forward to updating shareholders on progress in due course.



David Mitchell
Non-executive Chairman

16 March 2022

S-VENTURES PLC

Group Strategic Report for the Period 6 July 2020 to 30 September 2021

CHIEF EXECUTIVE OFFICER'S REPORT

The Board is pleased to report on its annual results for the period ended 30 September 2021. This has been a significant period in the Company's evolution as it has listed on the Aquis exchange, achieved two equity fundraises, completed three meaningful acquisitions and two exciting investments whilst continuing to review potential attractive candidates for further investment or acquisition. There currently exists an exciting market opportunity to acquire or invest in developing food and consumer businesses and enhance operations through a centralised resource, marketing and distribution function.

Since the launch of the Company, S-Ventures has completed five acquisitions or investments as it looks to identify further investment opportunities in the health and wellness, organic food and wellbeing sectors with the UK and Europe. A further investment was made post balance sheet in acquiring the business and assets of Livias' Health Foods.

Acquisitions

Pulsin

The Company acquired a 100% interest in Pulsin Limited in July 2021.

Pulsin (pulsin.co.uk) is a well-established and highly respected plant-based nutrition company, excelling in plant-based nutrition technology, manufacturing and sales, with a focus on healthy protein bars, nutritional snacks and Keto bars.

Pulsin formulates and produces high quality plant-based products under its own brands as well as for third parties, many of which are household names, from its specialised facilities in Gloucester. Pulsin had gross sales of approximately £7.05m in the twelve months to 30 April 2021 and approximately £1.2m of net debt as at that date.

A brand with an emphasis on feel-good nutrition, the range features award-winning snack bars, protein powders, keto products and shakes packed full of nutritional goodness and super ingredients. Pulsin's award-winning range of tasty snack bars, protein powders, keto products and shakes are packed full of feel-good nutritional goodness and balanced with the right amount of super ingredients to power you through the day and keep you fuller for longer. Pulsin range is gluten free and suitable for vegetarians, with the majority being plant based too. Pulsin never uses artificial ingredients, preservatives or palm oil. Available at most large retailers such as Sainsbury's, Tesco, Boots, Asda, Holland & Barrett and Ocado.

Ohso Chocolate

In February 2021, the Company acquired 75.1% of Ohso Chocolate Ltd (ohso.com). Ohso is UK-based brand specialising in luxury Belgian chocolate with added live cultures (probiotics) via a unique micro-encapsulation process. It is proven that this delivers live cultures to the gut three times more effectively than probiotic yoghurts.

We Love Purely

The Company acquired a 75.1% interest in We Love Purely Limited in January 2021 (welovepurely.com).

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

Post Balance Sheet events

On 17 February 2022, we acquired the business and assets of Livias Health Foods Limited from its administrators for an initial price of £355,000. This business will be taken on by Pulsin to continue and develop Livias range of indulgent treats. (www.livias.co.uk).

S-VENTURES PLC

Group Strategic Report for the Period 6 July 2020 to 30 September 2021

Investments

Coldpress Food

S-Ventures acquired a 3.3% stake in Coldpress Food Ltd in September 2020 and also provided a convertible loan allowing it to increase its holding to 6.2% on conversion. In November 2020, the Company invested a further £75,000 into Coldpress via a secured convertible loan note which, if exercised, would convert so as to increase our shareholding to 8.6% (cold-press.com).

Coldpress Foods provides all-natural support to non-stop, frenetic lifestyles by providing Europe's first Range of Vitamin Fortified, Super Juices & Smoothies.

Plant Punk

S-Ventures acquired a 50% stake in Vegan Punk Ventures Limited (trading as "Plant Punk") in August 2021 and has agreed to invest up to £100,000 in loans (plantpunkfoods.com)

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

Plant Punk was started by award-winning chef Dave Ahern and Batwoman star Wallis Day to disrupt beliefs that vegan food has to be bland or ultra-processed. Dave began developing a 100% plant-based burger that actually tastes good and does good by using ingredients that are easily obtained, well-studied and sustainable.

Combining Wallis's vision with Dave's expertise, the ZeroBeef burger was born using a unique process that could be scaled up to meet demand with a low-impact production process.

OTCQB Venture Market

In May 2021, S-Ventures PLC announced that its shares have been approved to trade on the US OTCQB Venture Market ("OTCQB") with trading commencing on 26 May 2021 under ticker symbol SVTPF. We believe that trading on the OTCQB will provide enhanced investor benefits, including easier access in the US, and greater liquidity due to a broader reach of investors. A market maker has been appointed in the US to support the OTCQB trading.

Current trading

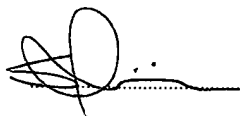
Since the balance sheet date the company has streamlined operations, as follows:

- Shortly before the year end, we took additional warehousing space near the Pulsin premises. Since then we have been re-organising the business to allow us to handle all the group's current logistics needs efficiently. It was fully operational from early January 2022;
- Closed operational centres previously owned by Ohso Chocolate and We Love Purely;
- Restructured teams to deploy their strength to benefit of all brands

Outlook

The investment thesis central to S-Ventures is strengthened in the current environment. The long-term structural trends in favour of health and wellness and, particularly, healthy foods and beverages remain intact. We expect the near-term macroeconomic environment to be challenging with input cost inflation and potential erosion of disposable incomes. Near-term headwinds for the economy will likely present S-Ventures with potentially further compelling opportunities. The Board's stance, with the benefit of a strong balance sheet, is to remain alert for opportunities, while maintaining a cautious approach to execution.

Scott Livingston
Chief Executive Officer
16 March 2022



S-VENTURES PLC

Group Strategic Report for the Period 6 July 2020 to 30 September 2021

FINANCIAL REVIEW

Introduction:

This first period of operation has been very busy during which we have obtained an AQSE listing and also an US OTCQB listing in the US. Since incorporation, we have arranged new funding totalling £3.7m and we had acquired 3 businesses and invested in a further two, which we do not control, by September 2021. A further £3m has been raised post year end.

As the business is in an initial growth phase, we anticipated that our first year would be loss making. The Group made a loss of £849k on Group sales (post acquisition) of £1.5m.

Special features of this reported loss include acquisition costs of £153k and initial unrecurring listing costs amounting to £80k. No tax will be payable.

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

Comment on performance of our owned businesses:

We Love Purely - The sales of plantain flavoured crisps has been growing steadily. The main sales channels being trade and grocery channels, helped by its recently introduced new format products.

Sales in 9 months to September were £215k compared with £74k in the previous 12 months. Further growth is planned this year with the introduction of new products later in the year.

Ohso Chocolate - Sales of chocolate bars infused with probiotics held up well in the year although it was difficult to forge new trade accounts; most of the business relying on online channels. The range has been refreshed recently with a new 85g bar - which we consider is more attractive to trade channels.

Sales in the year to September were some £288k compared with £292k in the prior year. Of this £190k fell in the post acquisition period.

Pulsin - The consolidated accounts only reflect the sales between 23 July and 30 September. This was a hectic post acquisition period during which we have had to start to restructure the logistics approach of the business which impacted on the sales in the period.

Sales for the last 12 months amounts to some £6.4m of which £1.1m are reflected in these group accounts. The business launched a range of new products in the period shortly before the acquisition which, together with other products in the pipeline, give us confidence in the future trading of this business.

Re-Organisation Plans

The acquisition of Pulsin has provided opportunities to start rolling out the Board's philosophy of sharing skills and resources around the group. The key points of this re-organisation are:-

- Group logistics functions at a new warehouse taken for the business of Pulsin, which became fully operational from January 2022.
- This allowed us to close the operational units of We Love Purely and Ohso Chocolate thereby grouping all the logistics functions together.
- Group new product development skills
- As the business all have similar channels to market, we are planning to group much of the sales activity.

Cash flow and cash position:

Since the launch of the group, funding for the group activities has come from shareholder monies. Post the balance sheet date, a further £3m in new equity has been raised to provide additional working capital. The expected improvement in trading of our Group companies during the coming year should provide opportunities to take up appropriate bank loans and working capital facilities.

Robert Hewitt
Chief Financial Officer
16 March 2022



S-VENTURES PLC

Group Strategic Report for the Period 6 July 2020 to 30 September 2021

PRINCIPAL RISKS AND UNCERTAINTIES

Foreign Exchange

The Group does not hedge its foreign exchange exposures. We Love Purely buys most of its stock in US Dollars and Ohso Chocolate has no foreign exchange exposures. As regards, Pulsin, much of its risk is naturally hedged by having both EU suppliers and Customers.

Key Suppliers

Both We Love Purely and Ohso Chocolate are very dependent on key suppliers:-

We Love Purely - a single overseas supplier

Ohso Chocolate - two suppliers; one for the new products and one for the older and smaller items.

Significant Customers

The Group is not overly dependent on any one customer.

Brexit / Covid-19

Pulsin was affected by Brexit issues associated with importing and exporting and labelling in early January. Since then all members of the Group have seen the impact of Covid-19 on both sales channels and also its impact on logistics - especially the need to book in shipments to customers.

Other

All our business carry appropriate insurance covers for product liability and other risks.

SECTION 172(1) STATEMENT

The directors are well aware of their duty under section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Company (the "Section 172 (1) Matters").

Induction materials provided on appointment include an explanation of directors' duties, and the board is regularly reminded of the Section 172(1) Matters, including as a rolling agenda item at every main board meeting.

There is further information on Section 172(1) Matters on page 13 of the financial statements.

ON BEHALF OF THE BOARD:



R D Hewitt
Director

16 March 2022

S-VENTURES PLC

Report of the Directors for the Period 6 July 2020 to 30 September 2021

The directors present their report with the financial statements of the company and the group for the period 6 July 2020 to 30 September 2021.

INCORPORATION

The group was incorporated on 6 July 2020 and commenced trading on the same date.

DIVIDENDS

No dividends will be distributed for the period ended 30 September 2021.

FUTURE DEVELOPMENTS

Details of the Group's future developments are contained in the Strategic report set out on page 2 to 9.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in note 25 to the financial statements.

DIRECTORS

The directors who have held office during the period from 6 July 2020 to the date of this report are as follows:

B Choudhrie - appointed 13 April 2021
N A D'Onofrio - appointed 6 July 2020
R D Hewitt - appointed 6 July 2020
S P Livingston - appointed 6 July 2020
D M Mitchell - appointed 22 September 2020
A J B Phillips - appointed 6 July 2020

S-VENTURES PLC

Report of the Directors for the Period 6 July 2020 to 30 September 2021

REMUNERATION COMMITTEE REPORT

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

In the year to 30 September 2021, the Remuneration Committee consisted of the Non Executive Chairman and two non-executive directors: David Mitchell, Nick D'Onofrio and Bhanu Choudhrie. The Remuneration Committee is convened not less than twice a year and otherwise as required. The Committee met twice during the period ended 30 September 2021

Directors' Remuneration Policy:

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

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

Directors remuneration for period ended 30 September 2021:

	Salary	Pension	Benefits	Bonus	Total
Executive directors					
Scott Livingston	53,333	-	883	20,000	74,217
Robert Hewitt	26,667	-	-	10,000	36,667
Non- executive directors	Fees Accrued				
David Mitchell	£12,000				
Alex Phillips	£13,000				
Nick D'Onofrio	£13,000				
Bhanu Choudhrie	£6,000				

Service Contracts and non-executive directors' Letters of Appointment

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

Directors' interests as at 30 September 2021

	Ordinary shares directly held	% Of Issued Share Capital	Warrants at 25p	Options
Scott Livingston	47,749,108	42.6%	1,896,603	-
Robert Hewitt	2,287,756	2.0%	16,670	-
David Mitchell	1,869,000	1.7%	-	-
Alex Phillips	2,746,000	2.4%	-	-
Nick D'Onofrio	2,710,000	2.4%	-	-
Bhanu Choudhrie	-	-	-	-
Number of shares in issues at 30 September 2021		111,377,947		
Number in issue at date of this report		117,391,340		

During the year, Scott Livingston has sold 1,000,000 shares further to an Orderly Market agreement entered into with Peterhouse Capital upon the initial listing. Similarly, a person connected to Scott Livingston has sold a further 1,020,000 shares in the period to 30 September 2021.

S-VENTURES PLC

Report of the Directors for the Period 6 July 2020 to 30 September 2021

Share Options

Share Options dependent on sales performance were granted to the vendors of We Love Purely Limited and Ohso Chocolate Limited when the businesses were acquired. At the date of this report, these options amounted to 2,407,528 granted at 9p each, the share price when the businesses were acquired. The position regarding warrants and options in issue is as follows:-

	As at 30 Sept 21	Date of this Report
Shares in issue	111,377,947	117,391,340
Warrants for shares	3,987,800	4,910,271
Options based on performance	<u>2,407,528</u>	<u>2,407,528</u>
Diluted number of shares	<u>117,773,275</u>	<u>124,709,139</u>
Percentage of Warrants and Options in expanded equity	5.4%	5.9%

Shareholder Approval of Directors' Remuneration Report

Shareholders are asked to approve this directors' Remuneration Report for the period ended 30 September 2021 at the forthcoming Annual General Meeting. This resolution is advisory in nature.

ENGAGEMENT WITH EMPLOYEES

It is the Company's policy not to discriminate between employees or potential employees on any grounds. Full and fair consideration is given to the recruitment, training and promotion of disabled people and, should staff become disabled during the course of their employment, efforts are made to provide appropriate re-training.

ENGAGEMENT WITH KEY STAKEHOLDERS

The key stakeholders for the Group are customers, distributors, suppliers, employees, shareholders and the community and environment in which we live. Whilst interactions take place at all levels of the Group, the directors are aware of the importance of the relationships with key stakeholders and feedback is utilised wherever possible to sustain these relationships in order to drive the long term success of the business.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

We do not need to report under this regulation as we are not listed on main market or AIM and our size is below the relevant thresholds. However, we intend to prepare and publish this data in our next year's report.

S-VENTURES PLC

Report of the Directors for the Period 6 July 2020 to 30 September 2021

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

Introduction:

We are pleased to introduce the Corporate Governance Report for the period ended 30 September 2021. As an AQSE quoted company, we recognise the importance of sound corporate governance in supporting and delivering the strategy of the Company and its subsidiaries (together the "Group"). This involves managing the Group in an efficient manner for the benefit of its shareholders and other stakeholders whilst maintaining a corporate culture which is consistent with our values.

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

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

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

The Development of the Corporate Governance Code for S-Ventures

The QCA sets out 10 principles which the Board is working on to expand into an effective document to cover all areas of the Group's business. However, as the Group is presently young and has only recently made significant acquisitions this is still a work in progress. Once completed, the principles will be published on the Company's website.

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

Set out below are the Group's corporate governance practices for the year ended 30 September 2021.

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

S-VENTURES PLC

Report of the Directors for the Period 6 July 2020 to 30 September 2021

4. Risk Management: We consider risk management at two levels. Firstly, we ensure that all our products are made to appropriate and up to date food hygiene standards. Secondly, we have implemented reporting and management systems appropriate to a Group of our size at both the operating company level and main board level. We have ensured that the group carries appropriate insurance covers.

Secondly, the main Board has set up committees which include directors for: Investment decisions and Remuneration. An Audit committee will be operative in the coming year. Whilst the Investment Committee sift possible targets, all offers are approved by the full Board.

5. The Board: The Board members, who are listed on page 1, have a wide range of business skills that they bring to bear in managing the Group's affairs. During our first year of operation, we have been constrained in setting up physical meetings, but the use of Zoom and teams has allowed the Board to liaise on a regular basis.

During the period ended 30 September 2021, there have been 14 Board meetings plus a further 3 on single issues.

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

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

6. Communications: The Group communicates its governance by regular updates to the market, including this Governance report and will shortly be adding this report to our website.

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

In addition, the directors are available to listen informally to the views of shareholders immediately following the AGM. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are published on the Company's corporate website.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the UK. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

S-VENTURES PLC

**Report of the Directors
for the Period 6 July 2020 to 30 September 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:



R D Hewitt
Director

16 March 2022

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

Opinion

We have audited the financial statements of S-Ventures Plc (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 September 2021 which comprise the Consolidated Income Statement The Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2021 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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 and parent company's ability to continue to adopt the going concern basis of accounting included;

- Obtaining cash flow forecasts, management accounts, and budgets from management for a period of at least 12 months from the date of signing the financial statements to give an indication of the expected financial returns in future months;
- Reviewing documents for reasonableness by comparing forecasts to actual results;
- Considering the current available financial headroom and confirm existence, legality and enforceability of any financial support arrangements including post period end fundraising exercises;
- Reviewing correspondence with bankers and meeting minutes for any references to financial difficulties; and
- Continuing to review RNS releases and discussed subsequent events and future plans with management.

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

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

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

Our application of materiality

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

We determined materiality for the group to be £63,400, with performance materiality of £38,000. We agreed with the Board that we would report all audit differences in excess of £3,170, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Materiality was determined on the basis of 7.5% of the Group's loss before tax, which we believe to be of particular relevance to the Group in their first period of operations.

We determined materiality of the parent company to be £45,000, with a performance materiality of £27,000. We agreed with the Board that we would report all audit differences in excess of £2,250, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Materiality was determined on the basis of 70% of group overall materiality. We have used this benchmark as the group is in its start-up phase, it is incurring costs relating to acquisitions of businesses in natural wellness, food-technology and organic snacking sector, which are key to shareholders. Net assets of the company were also considered important but would have led to a materiality in excess of that acceptable for the group audit.

Our approach to the audit

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key Audit Matter	How our scope addressed this matter
<p>Carrying value of investment in subsidiaries and intra-group receivables (Parent Company) (as disclosed in notes 13 and 15)</p>	
<p>The carrying value of the Parent Company's investment in subsidiaries and intra-group receivables is material at period end.</p> <p>The recoverability of these balances is ultimately dependent on the subsidiaries being able to generate returns from their underlying assets in order to settle the receivables. The recoverability and valuation of these amounts is therefore a risk as they might be impaired</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Obtaining management's impairment review for all investments and challenging the assumptions made to third party evidence and our understanding of the business; • Reviewing the value of the net investment and intra-group receivables in subsidiaries against the underlying assets and challenging the judgements/estimates used by management to assess the recoverability of investments and intra-group receivables • Reviewing latest subsidiary accounts to confirm the period-end financial position and performance against budgets and forecasts; • Analysing subsequent events in support of the budgets to determine reliability of management's budgeting process. <p>We note that the recoverability of the Company' investments relies on the Directors' assertion that operations within the subsidiaries will become more profitable once Group synergies have been enacted.</p>
<p>Inventory Valuation (Group) (as disclosed in note 14)</p>	
<p>Inventory represents a material balance within the financial statements (£1.32m 30 September 2021).</p> <p>There is a risk that the inventory does not exist period end and inventory is therefore misstated in the financial statements. There is also a risk that that stock is not valued at the lower of cost and NRV.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Attending stock takes of subsidiaries to ensure that the stock exists and the recording of stock quantities is complete; • Considering the appropriateness of the inventory system; • Following up the stocktake attendance by confirming that counted items are correctly included on the final stock sheets and that any discrepancies arising are resolved; • For a sample of stock items, testing the valuation of finished goods against post period end selling prices to confirm that the net realisable value is greater than cost; • For a sample of raw materials, testing stock items to purchase invoices to ensure that stock is recorded at the appropriate costs. • Tracing the allocation of overheads costs to finished goods by agreeing the elements of the calculation to the appropriate accounting records such as labour costs.

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

	We have obtained sufficient and appropriate audit evidence over the valuation of inventory.
Acquisition of subsidiaries (group) (as disclosed in notes 13)	
<p>The parent entity has acquired a number of subsidiaries during the period.</p> <p>There is a risk that the accounting treatment applied by management is not in accordance with the criteria of and IFRS 3.</p> <p>There is a risk that the consideration payable is not conducted on an arm's length basis, and thus either generating a higher goodwill balance or a significant bargain purchase recognised in the profit and loss account.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Reviewing the sale and purchase agreements for investments purchased during the period; • Agreeing the level of consideration to supporting documentation, including the valuation of any deferred or contingent consideration; • Review management's accounting treatment and policy applied for each acquisition to ensure it is in accordance with IFRS. • Reviewing calculations of goodwill occurring on the acquisition of subsidiaries and ensuring recognition is in accordance with IFRS; • Reviewing and critically assessing management's impairment assessment for the goodwill and intangible fixed assets arising from the acquisition. • Considering whether there are other indications of impairment in the value of the investments acquired during the period; and • Ensuring disclosures in the financial statements are appropriate. <p>We have obtained sufficient and appropriate audit evidence over the accounting for acquisitions of subsidiaries. We note that the PPA review in relation to the allocation of intangible assets acquired by the Group within the new subsidiaries was not completed at the period end and that resulting re-allocations of Goodwill to intangible assets will occur within the financial statements for the following year.</p>

Other information

The other information comprises the information included in the Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Consolidated Financial Statements. 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.

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

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 period 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 statement of directors' responsibilities, 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 parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from Companies Act 2006, Aquis Rules for Issuers, Disclosure and Transparency Rules, UK

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

Corporate Governance Code, UK employment rules, UK tax legislation, and The Food Standards Agency (FSA).

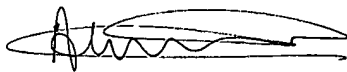
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - Enquiries of management, review of minutes, review of legal / regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates, judgement and assumptions for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. In this context we view the significant estimates as being the key assumptions underlying the valuation of investments.
- We considered the above procedures at group as well as component levels.

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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.



Alistair Roberts (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
16 March 2022

15 Westferry Circus
Canary Wharf
London E14 4HD

S-VENTURES PLC**Consolidated Income Statement
for the Period 6 July 2020 to 30 September 2021**

	Notes	£
CONTINUING OPERATIONS		
Revenue		1,525,810
Cost of sales		(1,104,952)
		<hr/>
GROSS PROFIT		420,858
Other operating income		31,376
Distribution costs		(158,962)
Administrative expenses		(1,259,905)
Finance costs	5	(54,720)
Finance income	5	16,499
Share of loss of associates		(600)
		<hr/>
LOSS BEFORE INCOME TAX	6	(1,005,454)
Income tax	7	156,079
		<hr/>
LOSS FOR THE PERIOD		(849,375)
		<hr/> <hr/>
Loss attributable to:		
Owners of the parent		(784,896)
Non-controlling interests		(64,479)
		<hr/>
		(849,375)
		<hr/> <hr/>
Earnings per share expressed in pence per share:		
Basic and diluted	9	(0.76)
		<hr/> <hr/>

The notes form part of these financial statements

S-VENTURES PLC

**Consolidated Statement of Comprehensive Income
for the Period 6 July 2020 to 30 September 2021**

	£
LOSS FOR THE PERIOD	(849,375)
OTHER COMPREHENSIVE INCOME	-
	<hr/>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(849,375)
	<hr/> <hr/>
Total comprehensive income attributable to:	
Owners of the parent	(784,896)
Non-controlling interests	(64,479)
	<hr/>
	(849,375)
	<hr/> <hr/>

The notes form part of these financial statements

S-VENTURES PLC (REGISTERED NUMBER: 12723377)**Consolidated Statement of Financial Position
30 September 2021**

	Notes	£
ASSETS		
NON-CURRENT ASSETS		
Goodwill	10	6,274,953
Owned		
Intangible assets	11	54,381
Property, plant and equipment	12	1,219,583
Right-of-use		
Property, plant and equipment	12, 21	1,693,925
Investments	13	30,238
Deferred tax	22	198,913
		<u>9,471,993</u>
CURRENT ASSETS		
Inventories	14	1,219,876
Trade and other receivables	15	2,122,044
Tax receivable		27,228
Cash and cash equivalents	16	154,697
		<u>3,523,845</u>
TOTAL ASSETS		<u><u>12,995,838</u></u>
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	17	111,378
Share premium	17	6,107,386
Share based payment reserve	18	40,024
Equity component of convertible debt	18	2,057,528
Contingent equity settled consideration for investment	18	34,484
Retained earnings	18	(784,896)
		<u>7,565,904</u>
Non-controlling interests		<u>(76,810)</u>
TOTAL EQUITY		<u><u>7,489,094</u></u>

The notes form part of these financial statements

S-VENTURES PLC (REGISTERED NUMBER: 12723377)

**Consolidated Statement of Financial Position - continued
30 September 2021**

	Notes	£
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial liabilities - borrowings		
Interest bearing loans and borrowings	20	<u>2,321,945</u>
CURRENT LIABILITIES		
Trade and other payables	19	1,979,226
Financial liabilities - borrowings		
Bank overdrafts	20	260,769
Interest bearing loans and borrowings	20	537,277
Tax payable		<u>407,527</u>
		<u>3,184,799</u>
TOTAL LIABILITIES		<u>5,506,744</u>
TOTAL EQUITY AND LIABILITIES		<u>12,995,838</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16 March 2022 and were signed on its behalf by:



R D Hewitt
Director

The notes form part of these financial statements

S-VENTURES PLC (REGISTERED NUMBER: 12723377)**Company Statement of Financial Position
30 September 2021**

	Notes	£
ASSETS		
Property, plant and equipment	12	4,430
Investments	13	7,041,213
Deferred tax	22	56,367
		<u>7,102,010</u>
CURRENT ASSETS		
Trade and other receivables	15	956,183
Cash and cash equivalents	16	107,586
		<u>1,063,769</u>
TOTAL ASSETS		<u><u>8,165,779</u></u>
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	17	111,378
Share premium	17	6,107,386
Share based payment reserve	18	40,024
Equity component of convertible debt	18	2,057,528
Contingent equity settled consideration for investment	18	34,484
Retained earnings	18	(498,419)
TOTAL EQUITY		<u>7,852,381</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	19	313,398
TOTAL LIABILITIES		<u>313,398</u>
TOTAL EQUITY AND LIABILITIES		<u><u>8,165,779</u></u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 16 March 2022 and were signed on its behalf by:



R D Hewitt
Director (Company number: 12723377)

The notes form part of these financial statements

S-VENTURES PLC

**Consolidated Statement of Changes in Equity
for the Period 6 July 2020 to 30 September 2021**

	Called up share capital £	Retained earnings £	Share premium £	Share based payment reserve £
Changes in equity				
Issue of share capital	111,378	-	6,107,386	-
Total comprehensive loss	-	(784,896)	-	-
Warrants issued	-	-	-	25,000
	111,378	(784,896)	6,107,386	25,000
Acquisition of non-controlling Interest	-	-	-	-
Balance at 30 September 2021	111,378	(784,896)	6,107,386	25,000

	Equity component of convertible £	Contingent equity settled considerati on for £	Total £	Non- controlling interests £	Total Equity £
Changes in equity					
Issue of share capital	-	-	6,218,764	-	6,218,764
Total comprehensive loss	-	-	(784,896)	(64,480)	(879,311)
Warrants issued	-	-	25,000	-	25,000
Equity component of convertible debt issued	2,057,528	-	2,057,528	-	2,057,528
Contingent equity-settled consideration for subsidiary	-	34,484	34,484	-	34,484
	2,057,528	34,484	7,565,904	(64,480)	7,501,424
Acquisition of non-controlling Interest	-	-	-	(12,330)	(12,330)
Balance at 30 September 2021	2,057,528	34,484	7,565,904	(76,810)	7,489,094

The notes form part of these financial statements

S-VENTURES PLC

**Company Statement of Changes in Equity
for the Period 6 July 2020 to 30 September 2021**

	Called up share capital £	Retained earnings £	Share premium £	Share based payment reserve £
Changes in equity				
Issue of share capital	111,378	-	6,107,386	-
Total comprehensive income	-	(498,419)	-	-
Warrants issued	-	-	-	25,000
Share options issued	-	-	-	15,024
Balance at 30 September 2021	111,378	(498,419)	6,107,386	40,024

	Equity component of convertible debt £	Contingent equity settled consideration for investment £	Total Equity £
Changes in equity			
Issue of share capital	-	-	6,218,764
Total comprehensive income	-	-	(498,419)
Warrants issued	-	-	25,000
Share options issued	-	-	15,024
Equity component of convertible debt issued	2,057,528	-	2,057,528
Contingent equity-settled consideration for subsidiary	-	34,484	34,484
Balance at 30 September 2021	2,057,528	34,484	7,852,381

The notes form part of these financial statements

S-VENTURES PLC
Consolidated Statement of Cash Flows
for the Period 6 July 2020 to 30 September 2021

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	(1,279,446)
Loan interest paid		(3,551)
HP interest paid		(12,785)
Lease interest paid		(3,913)
		(1,299,695)
Net cash from operating activities		(1,299,695)
Cash flows from investing activities		
Acquisition of subsidiaries (net of cash acquired)		(2,349,131)
Purchase of intangible fixed assets		(5,510)
Purchase of tangible fixed assets		(110,690)
Purchase of non-current asset investments		(30,838)
Sale of tangible fixed assets		1,669
Interest received		14,644
		(2,479,856)
Net cash from investing activities		(2,479,856)
Cash flows from financing activities		
Payment of lease liabilities		135,445
Payment of bank loans		(62,835)
Amount withdrawn by directors		(44,879)
Share issue		3,645,748
		3,673,479
Net cash from financing activities		3,673,479
Decrease in cash and cash equivalents Cash		
and cash equivalents at beginning of period		(106,072)
	2	-
Cash and cash equivalents at end of		(106,072)
period	2	(106,072)

Major Non Cash Transactions

During the period ended 30 September 2021, loan notes of £2,057,000 were issued to the vendors of Pulsin Limited as part of purchase consideration. The company issued 3,281,866 shares at 9p per share, totalling £295,367, to the vendors of Ohso chocolate Limited and 1,529,266 shares at 9p per share, totalling £137,634, to the vendors of We Love Purely Limited as part of the purchase consideration.

10m share warrants were issued as part of a share issue during the period. A further 1,487,800 warrants with an exercise price of 2 pence each and 743,900 with an exercise price of 4 pence each were issued in lieu of professional fees

The company granted 2,407,528 share options to employees with an exercise price of 9 pence each under an Enterprise Management Incentive Scheme

The remainder of non cash transactions are not considered material.

The notes form part of these financial statements

S-VENTURES PLC

Notes on the Consolidated Statement of Cash Flows for the Period 6 July 2020 to 30 September 2021

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

	£
Loss before income tax	(1,005,454)
Depreciation and amortisation charges	86,334
Profit on disposal of fixed assets	(3,432)
Share based payments	40,024
Loan written off to subsidiary director	32,424
Finance costs	25,276
Finance income	(16,499)
	<u>(841,327)</u>
Share of loss of associates	600
Increase in inventories	(32,301)
Increase in trade and other receivables	(771,521)
Increase in trade and other payables	365,103
	<u>(1,279,446)</u>

2. CASH AND CASH EQUIVALENTS

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

Period ended 30 September 2021

	30.9.21
	£
Cash and cash equivalents	154,697
Bank overdrafts	<u>(260,769)</u>
	<u>(106,072)</u>

The notes form part of these financial statements

S-VENTURES PLC
Company Statement of Cash Flows
for the Period 6 July 2020 to 30 September 2021

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	(1,107,591)
Interest paid		(29,445)
Net cash from operating activities		<u>(1,137,036)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets		(5,201)
Purchase of non-current asset investments		(2,410,669)
Interest received		14,664
Net cash from investing activities		<u>(2,401,206)</u>
Cash flows from financing activities		
Share issue		3,645,748
Net cash from financing activities		<u>3,645,748</u>
Increase in cash and cash equivalents		107,506
Cash and cash equivalents at beginning of period	2	-
Cash and cash equivalents at end of period	2	<u><u>107,506</u></u>

Major Non Cash Transactions

During the period ended 30 September 2021, loan notes of £2,057,000 were issued to the vendors of Pulsin Limited as part of purchase consideration. The company issued 3,281,866 shares at 9p per share, totalling £295,367, to the vendors of Ohso chocolate Limited and 1,529,266 shares at 9p per share, totalling £137,634, to the vendors of We Love Purely Limited as part of the purchase consideration.

10m share warrants were issued as part of a share issue during the period. A further 1,487,800 warrants with an exercise price of 2 pence each and 743,900 with an exercise price of 4 pence each were issued in lieu of professional fees

The company granted 2,407,528 share options to employees with an exercise price of 9 pence each under an Enterprise Management Incentive Scheme

The remainder of non cash transactions are not considered material.

The notes form part of these financial statements

S-VENTURES PLC

Notes to the Company Statement of Cash Flows for the Period 6 July 2020 to 30 September 2021

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

	£
Loss before income tax	(554,786)
Depreciation charges	771
Share based payments	40,024
Finance costs	29,445
Finance income	(15,638)
	<hr/>
	(500,184)
Increase in trade and other receivables	(812,734)
Increase in trade and other payables	205,327
	<hr/>
Cash generated from operations	(1,107,591)
	<hr/> <hr/>

2. CASH AND CASH EQUIVALENTS

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

Period ended 30 September 2021

	30.9.21
	£
Cash and cash equivalents	<u>107,506</u>

The notes form part of these financial statements

S-VENTURES PLC

Notes to the Consolidated Financial Statements for the Period 6 July 2020 to 30 September 2021

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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

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

New standards and interpretations not yet adopted

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

Title of Standard or Interpretation	Effective for accounting periods beginning on or after
Amendments to IFRS 9, IAS 39, IFRS7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform	1 January 2021
Amendments to IFRS 16 Leases–Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to IFRS 3 References to the Conceptual Framework	1 January 2022
Amendments to IAS 16 Proceeds before intended use	1 January 2022
Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)	1 January 2022
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

S-VENTURES PLC

Notes to the Consolidated Financial Statements for the Period 6 July 2020 to 30 September 2021

2. ACCOUNTING POLICIES - continued

Going concern

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. This is based on a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of signing of these accounts. The Group made a statutory loss of £849k however the group has net assets in the first period of trade to 30 September 2021.

There were significant one-off costs with the listings and business acquisitions in this period. The subsidiaries were acquired towards the end of the accounting period and the directors have plans to streamline group operations across the group, to increase productivity and save costs and there is expected to be a significant growth in group turnover. The company raised an additional £3m in capital after the balance sheet date. The Group's cash flow forecasts show that the Group will be able to operate comfortably and meet its liabilities as they fall due for the next twelve months. The Directors may look to raise further funds during the projection period should they come across suitable acquisition targets that they believe would further bolster the Group's growth strategy.

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

Basis of consolidation

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

The consolidated financial statements present the results of the company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. All subsidiaries have a reporting date of 30 September 2021.

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

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

Associates

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

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

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

S-VENTURES PLC

Notes to the Consolidated Financial Statements for the Period 6 July 2020 to 30 September 2021

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Financial assets and liabilities are designated upon inception to various classifications. The designation determines the method by which the financial instruments are carried on the balance sheet subsequent to inception and how changes in value are recorded. The designation may require the Company to make certain judgments. In particular with regard to the convertible loan notes, which are convertible at the parent company's discretion.

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

Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant of share options and warrants. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield and making assumptions about them. The assumptions used for estimating fair value for share based payment transactions are disclosed in Note 27.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. For a subsidiary acquisition in the current period the level of the contingent consideration is based on actual sales compared to target sales to 31 December 2021, up to a maximum of £600k. The sales were estimated to 31 December 2021 based on management information available and compared to the performance target to estimate the proportion of contingent consideration payable.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Revenue recognition

The Group recognises revenue in accordance with IFRS 15. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

S-VENTURES PLC

Notes to the Consolidated Financial Statements for the Period 6 July 2020 to 30 September 2021

2. ACCOUNTING POLICIES – continued

Grants

Grant income during the year has been accounting for using the accruals model. The grants are recognised in income within the period the costs to which the grant is related are incurred. Grant income during the year totals £31,376 and is included within Other operating income.

Goodwill

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

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

Intangible assets acquired separately

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

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

Development costs 10 years
Intellectual property 5 years

Property, plant and equipment

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

Leasehold additions	- 15% on reducing balance
Plant and machinery	- 33% on cost, 25% on cost and 20% on cost
Fixtures and fittings	- 33% on cost, 20% on cost and 20% on reducing balance
Computer equipment	- 33% on cost, 33% on reducing balance and 25% on cost
Right of use assets	- straight line over the period of the lease.

Financial instruments

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

S-VENTURES PLC

Notes to the Consolidated Financial Statements for the Period 6 July 2020 to 30 September 2021

2. ACCOUNTING POLICIES – continued

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Convertible loan instruments

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

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

Inventories

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

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

Taxation

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

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the statement of financial position date. The Group also recognises a deferred tax asset in respect of carried forward tax losses which it expects to recover in full.

Research and development

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

Foreign currencies

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

S-VENTURES PLC

Notes to the Consolidated Financial Statements for the Period 6 July 2020 to 30 September 2021

2. ACCOUNTING POLICIES – continued

Leases

Leases of plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases under IFRS 16. The Group recognises lease liabilities in relation to leases other than leases of low-value assets and short-term leases (shorter than twelve months). The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

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

Employee benefit costs

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

Share Based Payments

The Group operates a number of equity-settled, share-based schemes, under which the entity receives services from employees or third-party suppliers as consideration for equity instruments (options and warrants) of the Group. The fair value of the third-party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Statement of Comprehensive Income or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Income Statement and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- Recognising the impact of any service and non-market performance vesting conditions (for example profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity. When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

S-VENTURES PLC

Notes to the Consolidated Financial Statements - continued for the Period 6 July 2020 to 30 September 2021

3. SEGMENTAL REPORTING

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

- Parent company Corporate and Administrative, including activities of raising finance and seeking new investment opportunities, all based in the UK; and

- The 3 subsidiary undertakings' businesses:

We Love Purely Limited	(Plantain flavoured crisps)
Ohso Chocolate Limited	(Probiotic chocolate)
Pulsin Limited	(Plant based foods)

The segmental information is shown below:

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

4. EMPLOYEES AND DIRECTORS

	£
Wages and salaries	503,575
Social security costs	40,952
Other pension costs	6,853
	551,380

The average number of employees during the period was 39.

Directors' remuneration for the period was £110,884. There were no directors pension contributions in the period. The highest paid director received £74,217 remuneration in the period.

5. NET FINANCE COSTS

	£
Finance income:	
Deposit account interest	14,664
Interest on directors loan account	1,835
	16,499
Finance costs:	
Bank loan interest	3,551
Other loan interest	34,471
Hire purchase	12,785
Leasing	3,913
	54,720
Net finance costs	38,221

S-VENTURES PLC

Notes to the Consolidated Financial Statements - continued for the Period 6 July 2020 to 30 September 2021

6. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging/(crediting):

	£
Cost of inventories recognised as expense	1,104,952
Depreciation - owned assets	69,416
Depreciation – right of use lease assets	13,434
Profit on disposal of fixed assets	(3,432)
Patents and licences amortisation	205
Development costs amortisation	3,277
Foreign exchange differences	6,020
	<u>6,020</u>

7. AUDITORS REMUNERATION

During the year the Group obtained the following services from their auditors:

Fees payable to the Group's auditor in relation to the audit of the consolidated financial statements	50,000
Fees payable to the Group's auditor for other advisory services	69,827
	<u>119,827</u>

8. INCOME TAX

The tax credit in the profit and loss account is comprised as follows:

	£
Current year tax	7,608
Research and development credit	7,608
Deferred tax movement	148,471
Total credit	156,079
Loss before tax	(1,005,454)
Loss before Tax Calculated at the UK Standard of tax at 19%	(191,036)
Tax effects of:	
Expenses not deductible for tax	47,929
Research and development enhanced deduction	(5,635)
	<u>(148,742)</u>
Deferred tax credit	(148,742)
Research and development credit	(7,608)
Total tax credit for the period	<u>(156,350)</u>

The group has total losses available to carry forward by the group are £1,975,221.

S-VENTURES PLC

Notes to the Consolidated Financial Statements - continued for the Period 6 July 2020 to 30 September 2021

9. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

As the Earnings per share is a loss no adjustment has been made for potential dilution of the shares. A reconciliation of the Earnings per share is set out below.

	Earnings £	Weighted average number of shares	Per-share amount pence
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(849,375)	111,377,946	(0.76)

10. GOODWILL

Group

	£
COST	
Additions	6,274,953
At 30 September 2021	6,274,953
NET BOOK VALUE	
At 30 September 2021	6,274,953

11. INTANGIBLE ASSETS

Group

	Patents and licences £	Development costs £	Website costs £	Totals £
COST				
Additions	3,107	52,756	2,000	57,863
At 30 September 2021	3,107	52,756	2,000	57,863
AMORTISATION				
Amortisation for period	205	3,277	-	3,482
At 30 September 2021	205	3,277	-	3,482
NET BOOK VALUE				
At 30 September 2021	2,902	49,479	2,000	54,381

S-VENTURES PLC**Notes to the Consolidated Financial Statements - continued
for the Period 6 July 2020 to 30 September 2021****12. PROPERTY, PLANT AND EQUIPMENT****Group**

	Right of Use Asset Short leasehold £	Leasehold additions £	Plant and machinery £
COST			
Additions	1,707,359	75,793	1,026,877
Disposals	-	-	(1,701)
At 30 September 2021	1,707,359	75,793	1,025,176
DEPRECIATION			
Charge for period	13,434	7,354	55,144
Eliminated on disposal	-	-	(3,464)
At 30 September 2021	13,434	7,354	51,680
NET BOOK VALUE			
At 30 September 2021	1,693,925	68,439	973,496

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Period 6 July 2020 to 30 September 2021**

12. PROPERTY, PLANT AND EQUIPMENT - continued

Group

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
Additions	18,053	167,136	2,995,218
Disposals	-	(1,019)	(2,720)
At 30 September 2021	18,053	166,117	2,992,498
DEPRECIATION			
Charge for period	581	6,337	82,850
Eliminated on disposal	-	(396)	(3,860)
At 30 September 2021	581	5,941	78,990
NET BOOK VALUE			
At 30 September 2021	17,472	160,176	2,913,508

Company

	Computer equipment £
COST	
Additions	5,201
At 30 September 2021	5,201
DEPRECIATION	
Charge for period	771
At 30 September 2021	771
NET BOOK VALUE	
At 30 September 2021	4,430

13. INVESTMENTS

Group

	Interest in associate £	Unlisted investments £	Totals £
COST			
Additions	600	30,238	30,838
Share of profit/(loss)	(600)	-	(600)
At 30 September 2021	-	30,238	30,238
NET BOOK VALUE			
At 30 September 2021	-	30,238	30,238

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Period 6 July 2020 to 30 September 2021**

13. INVESTMENTS

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
Additions	7,010,975	30,238	7,041,213
At 30 September 2021	7,010,975	30,238	7,041,213
NET BOOK VALUE			
At 30 September 2021	7,010,975	30,238	7,041,213

During the year, the company acquired the following subsidiaries, all incorporated in the United Kingdom:

Subsidiary	% owned	Date of acquisition	Nature of business
We Love Purely Limited	75.1%	22 January 2021	Plantain flavoured crisps
Ohso Chocolate Limited	75.1%	16 February 2021	Probiotic chocolate
Pulsin Limited	100%	23 July 2021	Plant based foods

The following table summarises the consideration paid for the subsidiaries and the values of the assets and equity assumed at the acquisition date:

	Pulsin Limited £	Ohso Chocolate Limited £	We Love Purely Limited £
Total consideration			
Cash	2,400,000		
Shares issued	2,085,363	137,634	295,368
Loan notes issued	2,057,527		
Contingent consideration	34,484		
Total consideration	6,577,374	137,634	295,368
Recognised amounts of assets and liabilities acquired			
Cash and cash equivalents	(67,304)	12,156	8,109
Trade and other receivables	862,928	147,265	25,847
Inventories	1,011,282	113,036	71,891
Intangible assets	52,178	175	
Property, plant & equipment	1,158,915	8,078	1,153
Tax liabilities/asset	111,742		
Trade and other payables	(1,436,385)	(232,565)	(76,229)
Provisions	(47,815)		
Borrowings	(872,931)	(104,777)	(23,659)
Total identifiable net assets	772,611	(56,631)	7,112
Minority interest %	0%	24.9%	24.9%
Minority interest in net assets		14,101	(1,771)
Net assets attributable to parent company	772,611	(42,530)	5,341
Goodwill	5,804,763	180,164	290,027
Total consideration	6,577,374	137,634	295,368

In accordance with IFRS 3, the Company will perform a PPA within the 12 months of fully acquiring the subsidiaries.

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Period 6 July 2020 to 30 September 2021**

14. INVENTORIES

	Group £
Raw materials	441,617
Stocks	517,696
Packaging	260,563
	<u>1,219,876</u>

15. TRADE AND OTHER RECEIVABLES

	Group £	Company £
Current:		
Trade debtors	1,052,696	-
Amounts owed by group undertakings	-	595,236
Amounts owed by participating interests	86,281	86,281
Amounts owed by associates	76,882	76,882
Other debtors	62,976	-
Amount held in Escrow to cover corporation tax liabilities	449,195	-
Directors' current accounts	44,879	44,879
VAT	144,516	9,456
Prepayments and accrued income	204,619	143,449
	<u>2,122,044</u>	<u>956,183</u>

16. CASH AND CASH EQUIVALENTS

	Group £	Company £
Bank accounts	<u>154,697</u>	<u>107,586</u>

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Period 6 July 2020 to 30 September 2021**

17. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares - Ordinary	Share Capital (£)	Share Premium (£)	Totals (£)
Issued 2 July 2020	50,000	50,000	-	50,000
Share split 1 September 2020	49,950,000	-	-	-
Issued 16 September 2020	24,390,000	24,390	626,010	650,400
Issued between 22 January 2021 & 16 February 2021	4,811,132	4,811	428,191	433,002
Issued between 1 April 2021 & 31 May 2021	20,000,000	20,000	2,980,000	3,000,000
Issued 23 July 2021	12,176,814	12,177	2,073,186	2,085,363
At 30 September 2021	111,377,946	111,378	6,107,387	6,218,365

On 2 July 2020, the Company was incorporated and issued 50,000 ordinary shares of £1 each at par. On 1 September 2020 the 50,000 ordinary £1 shares were split into 50,000,000 ordinary shares of £0.001 each.

On 16 September 2020, the Company issued 16,260,000 ordinary shares of £0.001 each at a deemed price of £0.02 per share in return for £325,200. On the same date, 8,130,000 ordinary shares of £0.001 each were issued at a deemed price of £0.04 per share in return for £325,200.

Between 22 January and 16 February 2021, the Company issued 3,281,866 ordinary shares of £0.001 each at a deemed price of £0.09 per share to the owners of Ohso Chocolate Limited as part of the consideration for the acquisition of said company. Control of ownership is deemed to have passed on 16 February 2021 when the legal entity's title was transferred.

Between 22 January and 16 February 2021, the Company issued 1,529,266 ordinary shares of £0.001 each at a deemed price of £0.09 per share to the owners of We Love Purely Limited as part of the consideration for the acquisition of said company. Control of ownership is deemed to have passed on 23 January 2021 when the legal entity's title was transferred.

Between 1 April 2021 and 31 May 2021, the Company issued 20,000,000 ordinary shares of £0.001 each at a deemed price of £0.15 per share in return for £3,000,000.

On 23 July 2021, the Company issued 7,000,000 ordinary shares of £0.001 each at a deemed price of £0.15 per share and issued 5,176,814 ordinary shares of £0.001 each at a deemed price of £0.20 to the owners of Pulsin Limited as part of the consideration for the acquisition of said company. Control of ownership is deemed to have passed on 23 July 2021 when the legal entity's title was transferred.

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Period 6 July 2020 to 30 September 2021**

18. RESERVES

Group

	Retained Earnings (£)	Share based payment reserve (£)	Equity component of convertible debt (£)	Contingent equity settled consideration for investment (£)	Totals (£)
Deficit for the period	(784,896)	-	-	-	(784,896)
Share options issued	-	15,024	-	-	15,024
Warrants issued	-	25,000	-	-	25,000
Equity component of convertible debt issued	-	-	2,057,528	-	2,057,528
Contingent equity-settled consideration for subsidiary	-	-	-	34,484	34,484
At 30 September 2021	(784,896)	40,024	2,057,528	34,484	1,347,140

Company

	Retained Earnings (£)	Share based payment reserve (£)	Equity component of convertible debt (£)	Contingent equity settled consideration for investment (£)	Totals (£)
Deficit for the period	(498,419)	-	-	-	(498,419)
Share options issued	-	15,024	-	-	15,024
Warrants issued	-	25,000	-	-	25,000
Equity component of convertible debt issued	-	-	2,057,528	-	2,057,528
Contingent equity-settled consideration for subsidiary	-	-	-	34,484	34,484
At 30 September 2021	(498,419)	40,024	2,057,528	34,484	1,633,617

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Period 6 July 2020 to 30 September 2021**

Share based payment reserve

The share based payment reserve has arisen from the share-based payment charge for share options issued to group employees. The shares over which the options were issued are that of the parent company. It also includes share warrants issued to a supplier of the parent for services provided.

Contingent consideration reserve

The contingent consideration reserve is the estimated fair value of the consideration payable to a subsidiary, subject to performance targets, to be settled by the issue of shares in the parent company.

Equity component of convertible debt reserve

This represents the equity component of convertible loans. The parent has the option to convert the loan principal into shares at its discretion. Originally the loan notes were negotiated without a conversion option at the same coupon rates, so the interest rates would be the same without the conversion option. Therefore, no discounting is required and the full principal has been classified as equity. The loan note interest for the current period is included in accruals.

19. TRADE AND OTHER PAYABLES

	Group £	Company £
Current:		
Trade creditors	1,247,050	167,439
Amounts owed to group undertakings	-	29,760
Social security and other taxes	94,593	8,013
Other creditors	200,868	-
Accruals and deferred income	436,715	108,186
	1,979,226	313,398

20. FINANCIAL LIABILITIES - BORROWINGS

	Group £	Company £
Current:		
Bank overdrafts	260,769	-
Bank loans	183,217	-
Leases and hire purchase (see note 21)	354,060	-
	798,046	-
Non-current:		
Bank loans 1-2 years	246,141	-
Leases and hire purchase (see note 21)	2,075,804	-
	2,321,945	-

Terms and debt repayment schedule

Group	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Bank overdrafts	260,769	-	-	-	260,769
Bank loans	183,217	69,446	175,862	833	429,358
Leases and hire purchase	354,060	413,660	969,457	692,687	2,429,864
	798,046	483,106	1,145,319	693,520	3,119,991

S-VENTURES PLC

**Notes to the Consolidated Financial Statements - continued
for the Period 6 July 2020 to 30 September 2021**

21. LEASING

Group

Right-of-use assets

Property, plant and equipment

	£
COST	
Additions	<u>1,707,359</u>
 DEPRECIATION	
Charge for year	<u>13,434</u>
 NET BOOK VALUE	<u><u>1,693,925</u></u>

Group

Lease liabilities

Minimum lease payments fall due as follows:

	Right-of-use Lease liabilities	Hire Purchase liabilities	Total Lease and hire purchase liabilities
	£	£	£
Gross obligations repayable:			
Within one year	211,197	236,513	447,710
Between one and five years	949,479	657,772	1,607,251
In more than five years	<u>755,225</u>	<u>-</u>	<u>755,225</u>
	<u>1,915,901</u>	<u>894,287</u>	<u>2,810,186</u>
Finance charges repayable:			
Within one year	40,956	52,694	93,650
Between one and five years	148,053	76,081	224,134
In more than five years	<u>62,538</u>	<u>-</u>	<u>62,538</u>
	<u>251,547</u>	<u>128,775</u>	<u>380,322</u>
Net obligations repayable:			
Within one year	170,241	183,819	354,060
Between one and five years	801,426	581,691	1,383,117
In more than five years	<u>692,687</u>	<u>-</u>	<u>692,687</u>
	<u>1,664,353</u>	<u>765,512</u>	<u>2,429,864</u>

S-VENTURES PLC

Notes to the Consolidated Financial Statements - continued for the Period 6 July 2020 to 30 September 2021

22. DEFERRED TAX

The deferred tax assets comprise losses carried forward less accelerated capital allowances. The total Group deferred tax asset at the balance sheet date is £198,193

The parent company deferred tax asset at the balance sheet date was £56,367.

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

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

	£
S P Livingston	
Balance outstanding at start of period	-
Amounts advanced	193,388
Amounts repaid	(148,509)
Amounts written off	-
Amounts waived	-
Balance outstanding at end of period	<u>44,879</u>

Loans to directors are subject to Interest at the HMRC beneficial loan rate of 2.25% and are repayable on demand.

24. RELATED PARTY DISCLOSURES

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

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

Key management personnel are considered to be the directors. Compensation of the directors is disclosed in note 4.

During the period PVL Sass Limited, a company in which S Livingston and R Hewitt (group directors) are directors and shareholders, made sales of group products totalling £49,939 and was recharged costs from the group totalling £34,150. At the balance sheet date £8,662 was owed to the group from PVL Sass Limited.

25. EVENTS AFTER THE REPORTING PERIOD

After the balance sheet date a total of 6,013,393 ordinary shares of £0.001 each have been issued, raising additional equity of £3,025,000 in cash and £275,000 issues in satisfaction of acquisitions or services. As a result the share premium has increased by £3,293,987.

This includes the exercise of 1,250,000 warrants at an exercise price of 2p each.

On 17 February 2022, the trade and assets of Livias Health Foods Limited was acquired from Administration for a cost of £355,000 comprising cash of £130,000 and 321,429 new ordinary shares priced at 70p each (included in the above totals). Further consideration of £100,000, comprising cash and shares, may become due depending on sales performance during 2022.

26. ULTIMATE CONTROLLING PARTY

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

S-VENTURES PLC

Notes to the Consolidated Financial Statements - continued for the Period 6 July 2020 to 30 September 2021

27. SHARE-BASED PAYMENT TRANSACTIONS

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

	Number of options	Weighted average exercise price of options	Number of warrants	Weighted average exercise price of warrants
Granted during the year	2,407,528	£0.09	2,231,700	£0.03
	<u>2,407,928</u>	<u>£0.09</u>	<u>2,231,700</u>	<u>£0.03</u>

Share options

The weighted average remaining contractual life of the options is 10.0 years.

On 16 June 2021, the Company granted 2,407,528 share options to employees with an exercise price of 9 pence each under an Enterprise Management Incentive Scheme. The Options are exercisable for a period of ten years from 16 June 2021, subject to certain performance conditions being met,

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

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

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

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

The charge in the statement of comprehensive income for the options share-based payments during the year was £40,024 (£15,024 in relation to share options and £25,000 in relation to share warrants).