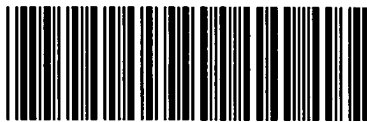


Registration number 03904195

Vela Technologies PLC

Annual Report and Financial Statements 2024

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chairman's statement

for the year ended 31 March 2024

I am pleased to present the Chairman's statement for the year ended 31 March 2024. In my half yearly statement for the period ended 30 September 2023 I made further reference to the continued war in Ukraine, political issues at home, rising inflation and rising interest rates. Whilst inflation appears to have stabilised and interest rates have received their first cut, these continue to be factors impacting the small-cap marketplace in the UK and on the whole investors on the public markets in London remain cautious, particularly in light of the budget at the end of October 2024. We remain cautiously optimistic regarding the long-term future of the Company's overall investment portfolio and we remain committed to the Company's stated investing strategy.

The board has carefully monitored the share prices of its investment portfolio and, where appropriate, have divested in whole or in part a number of investee companies when those share prices led to a realised profit.

During the financial year the Company invested a further £400,000 in cash into a put option agreement which gave Vela the right, but not the obligation, to sell its economic interest in the commercialisation of the Covid-19 application of AZD1656 for a total consideration of £4.0 million. The option was granted by Conduit Pharmaceuticals Limited and its prospective parent company, Murphy Canyon Acquisition Corp ("Murphy"), a company listed on NASDAQ. Conduit Pharmaceuticals completed the business combination with Murphy and the enlarged group, being Conduit Pharmaceuticals Inc. ("Conduit"), began trading on NASDAQ on 25 September 2023. In December 2023, the board exercised the option and received new shares in Conduit Inc. Despite positive news recently regarding the entering into of an exclusive licence agreement with AstraZeneca, the share price of Conduit is at an all-time low valuing the holding at only £100,000. As reported in the latest quarterly update (as at 30 June 2024) this price had fallen to \$1.06 and has since sunk to \$0.13 as at the date of this announcement. On 16 August 2024 Conduit announced that it had become aware that one of its directors had previously entered into certain collateral pledge agreements that resulted in the disposition of a substantial number of shares in Conduit and that it had appointed an independent committee of the Conduit board to establish the facts. Another independent committee of the Conduit board was formed to investigate and review the trading patterns of certain of Conduit shareholders and to determine if any action should be taken. It seems that the irregularities were instrumental in the collapse of the share price. The Board of Vela is very disappointed with the performance of the investment in Conduit and shares the frustrations of shareholders on such performance.

Vela made one further investment in the period under review and invested £250,000 in Tribe Technology Group plc via an advance subscription agreement as part of a pre-IPO funding round. The IPO was completed on 5 September 2023 and Vela was issued with shares at a price of 8p per share which was equivalent to 80% of the IPO issue price.

Turning to the financials, Vela reported a loss for the year of £776,537 compared to a loss of £378,516 in the previous comparable period. Almost all of this difference, from an accounting perspective, reflects a £356,904 reduction in fair value of investments in the year being reported on, compared to a much smaller reduction in fair value in the previous financial year. Net assets decreased to £6,238,388 compared to £7,004,480 at 31 March 2023 and cash fell from £723,576 at the beginning of the period to £53,597 at the balance sheet date.

The board will continue to update shareholders, in line with regulatory guidelines, via its quarterly investment updates and regulatory announcements. The directors would like to thank shareholders for their continued support.

DocuSigned by:

Brent Fitzpatrick

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Brent Fitzpatrick MBE
Chairman

strategic report

for the year ended 31 March 2024

Business review

At the period end, the Company held cash of approximately £54,000 (31 March 2023: £724,000). It continues to keep administrative costs to a minimum so that it has sufficient resources to cover its ongoing running costs while retaining the maximum funds for further investments.

The Company's loss for the year was approximately £777,000 (2023: loss of £378,000). This loss has arisen primarily from fair value movements on the Company's investment portfolio. The valuation of the investment portfolio at 31 March 2024 was approximately £5,487,000 (31 March 2023: £3,193,000), an increase of £2,294,000 on 2023. This resulted from the investment of £650,000 in new and 'follow-on' investments, the exercise of the put options to sell the economic interest in the commercialisation of the covid-19 application of AZD1656 and the subsequent issuance of shares in Conduit, and disposals generating net proceeds of £349,000, net of a decrease in the valuation of the portfolio of £357,000.

In addition to these investments, the financial asset held at 31 March 2023 (St George Street Capital) which was valued at £2,350,000 was converted into shares in Conduit Inc via a put option and as a result is now designated an investment on the balance sheet.

We update shareholders on investee company performance through, where appropriate and/or required, the dissemination of investee company regulatory announcements, together with, when available, information from private companies which do not have the same disclosure requirements as listed companies. Additionally, the Board has continued to publish quarterly investment updates on the performance of the investment portfolio and on acquisitions and sales. The quarterly investment updates will continue. Moreover, detailed information on the investment portfolio is maintained on the Company's website.

During the year, the Company made a £250,000 investment in Tribe Technology Group PLC and purchased a put option over the financial asset held in St George Street Capital Limited. Further details and key points of the investments made and of the performance of the Company's investee companies are detailed in note 8 to the financial statements.

The Company had two employees during the period (being two of the directors) and a Board comprising one male Executive Director, one female Executive Director and one male Non-Executive Director.

Principal risks and uncertainties

The preservation of its cash balances and the management of its capital resources remain the key concerns for the Company. Further information about the Company's principal risks, covering credit, liquidity, and capital, is detailed in note 15 to the financial statements.

The Company remains committed to keeping operational costs to a minimum.

Approved by the Board of Directors on 27 September 2024 and signed on its behalf by:

DocuSigned by:

Brent Fitzpatrick

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Brent Fitzpatrick MBE
Chairman

directors and advisers

Brent Fitzpatrick MBE **Chairman**

Mr Fitzpatrick has over 20 years' experience as a corporate finance consultant. In the last 15 years, he has been instrumental in advising a number of companies on their acquisitions, funding and subsequent flotations. Mr Fitzpatrick was previously Chairman of Global Marine Energy PLC, a listed oil services Company. He is currently Chairman of Aboyne-Clyde Rubber Estates of Ceylon Limited. He is a member of the Audit Committee Institute. In the Queen's Birthday Honours List 2012, Mr Fitzpatrick was awarded an MBE.

James Normand **Executive Director**

Mr Normand qualified as a Chartered Accountant in 1978, having trained with Spicer and Pegler (now part of Deloitte). Following a secondment to 3i plc, Mr Normand specialised for the next 15 years in the provision of advice to management buy-out and buy-in teams and on private company acquisitions, disposals and capital raisings.

Mr Normand has filled management and finance officer roles for a number of different commercial and charitable organisations. From 2009 to 2016, he was the full-time finance director of Pathfinder Minerals Plc, an AIM-listed mining exploration company.

He is currently executive chairman of All Active Asset Capital Limited and, until May 2024, was a non-executive director of Ridgecrest plc, both investing companies which, until recently, were both listed on AIM.

Emma Wilson **Executive Director**

Mrs Wilson qualified as a Chartered Accountant in 2001. Since qualification, Mrs Wilson has been employed in industry in senior finance positions and in large and small practices. In 2010 she established her own accounting practice, Bailey Wilson, which serves a variety of types and sizes of businesses, including clients listed on AIM and on the main market of the London Stock Exchange.

directors and advisers

Registered office

15 Victoria Mews
Mill Field Road
Cottingley Business Park
Bingley
West Yorkshire
BD16 1PY

Nominated adviser

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

Auditors

TC Group
6 Queen Street
Leeds
LS1 2TW

Company secretary

Emma Wilson

Registrars

Neville Registrars
Neville House
Steelpark Road
Halesowen
B62 8HD

Solicitors

Harrison Clark Rickerbys Limited
62 Cornhill
London EC3V 3NH

Broker

Peterhouse Capital Limited
80 Cheapside
London
EC2V 6EE

Bankers

Barclays Bank plc
27 Soho Square
London W1D 3QR

corporate governance

for the year ended 31 March 2024

The Directors recognise the importance of good corporate governance and are committed to business integrity, high ethical values and professionalism in all its activities. AIM quoted companies are required to comply with a recognised Corporate Governance Code. To this end the Directors have adopted the Quoted Companies Alliance Corporate Governance Code ("QCA Code"), which the Board believes to be the most appropriate corporate governance code given the Company's size and stage of development.

Further details of the Company's approach to the principles in the QCA Code can be found on the Company's website.

The QCA Code is a practical, outcome-oriented approach to corporate governance that is tailored for small and mid-size quoted companies in the UK and which provides the Company with the framework and effective oversight to help ensure that a strong level of governance is maintained.

In the statements that follow, we explain our approach to corporate governance, how the Board and its committees operate, and how we seek to comply with the QCA Code's 10 principles.

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

The Company's vision is to actively invest in enterprises using disruptive technology either to gain an advantage in an existing market or to create a new market and build a diverse investment portfolio. Vela's strategy is focused around its Investing Policy, which provides clear criteria that the Company considers when considering investment opportunities. A revised Investing Policy was adopted in January 2022 following approval by shareholders at the Company's annual general meeting.

The Company will seek investment opportunities which can be developed through the investment of capital or where part of or all of the consideration could be satisfied by the issue of new Ordinary Shares or other securities in the Company. This includes identifying and investing in inaccessible pre-IPO companies.

The Company's Investing Policy is set out in the Report of the Directors and on the Company's website. The Company's strategy is also communicated in the Chairman's Statement and in the Strategic Report.

Key challenges in the execution of Vela's strategy include:

- maintaining access, through the Company's network, to investment opportunities that fit the Company's criteria;
- access to capital resources to enable cash to be deployed to support both the Company's existing investment portfolio and new investment opportunities; and
- identifying investment opportunities, in accordance with the Company's investing policy, that also have attractive valuation parameters for incoming investors such as Vela.

The Company will use effective internal control systems to identify risks and implement appropriate processes to monitor, manage and mitigate known risks. The Board is committed to the maintenance of high standards of corporate governance and seeks to implement best practice as appropriate for smaller listed companies by reference to the provisions of the QCA Code.

The key risks and challenges to the Company are also detailed in the Strategic Report and in note 15 to the financial statements.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board is conscious of the need to protect and balance the interests of minority shareholders with those of major shareholders. The Board encourages two-way and open communication with its existing shareholders and potential new investors. The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance, Board membership and quality of management. It therefore holds meetings with its major shareholders to discuss objectives, on an ad hoc basis.

The Company communicates with its shareholders primarily through regulatory announcements. These contain the contact details of the Company's Chairman, Executive Director, its Broker, its Nominated Adviser and its PR and IR Adviser. In addition, copies of the Annual Report and Accounts are issued to all shareholders who have requested them and copies are available on the Company's investor website www.velatechplc.com.

corporate governance

for the year ended 31 March 2024

The Company's interim results are also made available on the Company's website. The Company also makes use of its investor website and social media to provide non-regulatory information, including on its portfolio companies, to shareholders and other interested parties.

The Board has previously presented at investor events and has engaged with shareholders through this activity. In this way the Company ensures that the views of shareholders are communicated fully to the Board.

Shareholders may also contact the Company in writing via email at info@velatechplc.com. Enquiries that are received will be considered by the Board. The Company may be required to exercise discretion as to which shareholder questions shall be responded to; and the information used to answer questions will be information that is freely available in the public domain. The Company engages the services of Novus Communications Ltd to assist with investor relations and shareholder communication. The Directors are available to answer investor relations queries and a contacts section is also available on the website for queries to be addressed to the Company.

The Company's AGM is used to communicate with investors and they are encouraged to participate. The Chairman is available to answer questions at the AGM and the Executive Directors also make themselves available after the meeting for further discussions with shareholders.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Company is aware of its corporate and social responsibilities and the need to maintain effective working relationships across a range of stakeholders. These include partners, investee companies, regulatory authorities and professional advisers.

The Company takes due account of any impact that its investee companies and their activities may have on the environment or employees. Through maintaining a dialogue with stakeholders, the Company is able to obtain feedback on the activities of its investee companies and act accordingly.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for reviewing and evaluating risk including investment performance, currency and credit risk, budgets, cash flow and market volatility, and meets regularly to do so. The Board meets regularly to review ongoing performance, discuss budgets and potential investments, and any other new developments. The Board is also responsible for maintaining a sound system of internal controls to safeguard both the shareholders' investments and the Company's assets.

A summary of the principal risks and uncertainties facing the Company is outlined in the Strategic Report and in note 15 to the financial statements.

The Board does not currently maintain a risk register but will monitor and assess the need to put one in place going forward.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

The Company sits within the category of an SME and as such relies on the input of its directors supported by its professional advisers.

Throughout accounting year, the Board comprised three directors. Brent Fitzpatrick, the Chairman throughout the period, who is responsible for the running of the Board and, James Normand and Emma Wilson, the Executive Directors, who are responsible for implementing the Company's strategy. Under the terms of their contracts with the Company, each director is contractually committed to dedicating a minimum of 42 days per annum to the Company and to be available on an ad hoc basis to the Company over and above their minimum contractual time commitments. Each Board member commits sufficient time to fulfil their duties and obligations to the Board and the Company.

corporate governance

for the year ended 31 March 2024

The Board is satisfied that it has a suitable balance between independence and knowledge of the Company to enable it to discharge its duties and responsibilities effectively, and all Directors are encouraged to use their independent judgement to challenge any business matters.

The Directors receive regular and timely information on the Company's operational and financial performance. All Directors have direct access to the advice and services of the Company's professional advisers in the furtherance of their duties, if necessary, at the Company's expense.

The directors retire by rotation and stand for re-election at the AGM.

Details of the directors' meeting attendance during the period is summarised below:

| <u>Director</u> | <u>Board meetings</u> |
|-----------------------|-----------------------|
| James Normand | 6 |
| Brent Fitzpatrick MBE | 6 |
| Emma Wilson | 6 |

Principle 6: Ensure that between them, the directors have the necessary up-to-date experience, skills and capabilities

The Board considers the Directors are of sufficient competence and calibre to add strength and objectivities to its activities and bring considerable experience, both financial and operational. The Directors believe that their collective business experience in the areas of investment assist them in the identification and evaluation of suitable opportunities and will enable the Company to achieve its investing objectives. The ability of individual members and the Board as a whole to deliver the Company strategy is reviewed regularly.

Directors' service contracts or letters of appointment make provision for a director to seek personal advice in furtherance of his or her duties and responsibilities. The Directors keep their skillsets up to date through maintaining a dialogue with the Company's investee companies and through their general engagement with the sectors in which the Company invests.

Further details on the Directors are given in the Directors and Advisers section of this report.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board carries out an evaluation of its performance on a yearly basis. Performance criteria include: contribution; strategy; sector experience; financial stewardship; and public company requirements. These are related to the Company's needs and projected needs at the time of each annual review. The directors consider that the size of the Company does not justify the use of third parties to evaluate the performance of the Board on an annual basis.

The effectiveness of each individual Director is benchmarked to directors at similar companies. Should the size of the Company increase, the Board will consider whether it is appropriate to put in place a more prescribed evaluation process.

Succession planning is currently undertaken on an informal basis by the Board in consultation with its advisers. The Board is satisfied that this is appropriate for this stage and size of the Company's development.

The directors retire by rotation and stand for re-election at the AGM.

corporate governance

for the year ended 31 March 2024

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Company conducts its business in a socially responsible manner, acting with integrity and professionalism. The Board is aware of the activities in which its investee companies are engaged and the impact those activities have on the communities which they serve. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with investee companies. This dialogue enables the Board to ensure the culture of the investee companies is consistent with that of the Company itself. The importance of sound ethical values is vital to the ability of the Company to successfully achieve its corporate objectives.

When seeking new investment opportunities, the Board considers the potential investee Company's ethical values and behaviours.

Principle 9: Maintain Governance structures and processes that are fit for purpose and support decision-making by the Board

The Board as a whole has overall responsibility for promoting the success of the Company. The Executive Directors have day-to-day responsibility for the operation of the Company and engagement with shareholders. The Non-Executive Director is responsible for bringing independent and objective judgement to Board decisions. Whilst there is no formal schedule of matters specifically reserved for approval by the Board, the following would be considered by all members of the Board:

- Formulating business strategy
- Determining policies and values
- Investing decisions
- Fundraising decisions
- Management appointments

The Company is a small investing company that takes minority stakes in a range of businesses and the Company itself has minimal operational / trading activity. As such the Board has concluded that, a Board comprising James Normand (Executive Director), Emma Wilson (Executive Director) and Brent Fitzpatrick (the Chairman) is suitable for its purposes, size and complexity. The Board monitors its structure on an ongoing basis to ensure it is effective.

The Board is confident that its processes and culture are appropriate for the Company's size and complexity but is aware that it must continue to review its practices as the Company evolves and grows.

Due to the size of the Board, the Company has elected not to maintain a separate remuneration committee and, as such, the Board as a whole undertakes the functions of such a committee. The Board as a whole reviews the scale and structure of Directors' fees, taking into account the interests of shareholders and the performance of the Company.

Due to the size of the Board, the Company similarly does not maintain an audit committee and, as such, the Board as a whole undertakes the functions of such a committee including reviewing the independence and objectivity of the external auditor.

The Company proposes to keep its systems and controls under review to ensure compliance with best practice having regard to its size and the resources available.

The Articles of Association require each director to seek re-election after no more than three years in office.

corporate governance

for the year ended 31 March 2024

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Company encourages two-way communication with all its shareholders and aims to respond quickly to all correspondence where relevant. The Board is committed to maintaining good communication and having constructive dialogue with its shareholders.

The Board recognises the Annual General Meeting as an important opportunity to meet all shareholders, in particular private shareholders, and the Board members make themselves available post the Annual General Meeting to listen, on an informal basis, to the views of shareholders. The Company also discloses relevant information on how it is governed and has performed through its regulatory announcements (including its annual report), copies of which are available on the Company's website (www.velatechplc.com), and via its website which is regularly updated.

In addition, Brent Fitzpatrick, the chairman, is available to answer investor relations queries and a contact section is available on the website for queries to be addressed to the Company.

The historical accounts and other corporate governance-related material, including notice of general meetings over the last five years can be found at: <http://www.velatechplc.com/investor-relations/publications/>

The Company did not have an audit committee or a remuneration committee during the period under review, and therefore has not included an audit committee report or remuneration committee report in the annual report and accounts for the year ended 31 March 2024. However, the Directors have prepared a Report on Remuneration, which is set out on page 10. Due to the size of the Board, all members make up the audit committee and remuneration committee.

The Company announces, and posts on the Company's website, the outcome of all resolutions tabled at general meetings (including annual general meetings). If a significant proportion of independent votes were to be cast against a resolution at any general meeting, the Board's policy would be to engage with the dissenting shareholders concerned, in order to understand the reasons behind the voting results. Following this process the Board may make an appropriate public statement regarding any different action it has taken, or will take, as a result of the vote.

DocuSigned by:

Brent Fitzpatrick

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Brent Fitzpatrick MBE

Chairman

report on remuneration

for the year ended 31 March 2024

Directors' remuneration

The Board recognises that Directors' remuneration is of legitimate interest to shareholders and is committed to following current best practice. The Company operates within a competitive environment and its performance depends on the individual contributions of the Directors and employees. It believes in rewarding vision and innovation. The Board has decided to present this remuneration report for shareholder approval.

Policy on Executive Directors' remuneration

The policy of the Board is to provide an executive remuneration package designed to attract, motivate and retain Directors of the calibre necessary to maintain the Company's position and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this but to avoid paying more than is necessary. The remuneration should also reflect the Directors' responsibilities and include incentives to deliver the Company's objectives. The notice period for termination of the Executive Director's service contract is 6 months.

Main elements of executive remuneration

There are three elements of the Executive Directors' remuneration packages:

- i. salary and fees;
- ii. annual bonus payments; and
- iii. share-based payments.

Salary and fees

The Executive Directors' basic salaries are reviewed by the Board. In deciding upon appropriate levels of remuneration, the Board believes that the Company should offer average levels of base pay reflecting individual responsibilities compared to similar jobs in comparable companies, as well as internal factors such as performance.

Annual bonus payments

The Board establishes the objectives which must be met for a bonus to be paid. A performance related award scheme incorporating audited earnings per share, share price performance and Company profitability has been established which recognises the success of the business for which the Executive Directors are responsible.

Share-based payment

The Board establishes the objectives which must be met for a share-based payment to be paid. An award scheme has been established which recognises the success of the business for which the Executive Directors are responsible. All share-based entitlements for the Directors are disclosed in notes 5 and 17 to the financial statements.

Non-Executive Directors

The Board as a whole determines the remuneration of the Non-Executive Directors. The Non-Executive Directors do not have a contract of service but a letter of appointment.

Details of Directors' remuneration

This report should be read in conjunction with note 5 to the financial statements, which also forms part of this report. Full details of all elements of the remuneration package of each Director are given in note 5 to the financial statements, together with details of Directors' share interests.

DocuSigned by:

Brent Fitzpatrick

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Brent Fitzpatrick MBE

Chairman

report of the directors

for the year ended 31 March 2024

The Directors present their report together with the financial statements for the year ended 31 March 2024.

General information

The Company is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM, a market operated by the London Stock Exchange.

Results and dividends

The results of the Company are set out in the Statement of Comprehensive Income. The Directors do not recommend payment of a dividend for the year ended 31 March 2024.

Directors

The Directors of the Company and their interests in the shares of the Company at the start of the period, or when appointed, and at the end of the period, or on resignation, are set out in note 5 to the financial statements.

In accordance with the terms of the Company's Articles of Association, Brent Fitzpatrick will retire by rotation and will offer himself for re-election at the forthcoming AGM.

The Directors who served during the period under review are:

Brent Fitzpatrick
James Normand
Emma Wilson

Financial risk management objectives and policies

The Directors constantly monitor the financial risks and uncertainties facing the Company with particular reference to the exposure to price, currency, credit, liquidity and cash flow risk. They are confident that suitable policies are in place and that all material financial risks have been considered. More detail is given in note 15 to the financial statements.

Substantial shareholders

At 31 March 2024 the Company's Register of Shareholders included the following registered holders of more than 3% of the Company's total issued ordinary shares:

| | Shareholding | % |
|--|---------------|-------|
| Hargreaves Lansdown (Nominees) Limited | 4,050,039,094 | 24.92 |
| Interactive Investor Services Nominees Limited | 3,800,797,013 | 23.39 |
| HSDL Nominees Limited | 1,865,550,901 | 11.48 |
| Thomas Grant and Company Nominees Limited | 1,104,982,833 | 6.80 |
| Vidacos Nominees Limited | 1,081,591,326 | 6.65 |
| Barclays Direct Investing Nominees Limited | 1,062,049,962 | 6.53 |
| JIM Nominees Limited | 667,756,812 | 4.11 |

The holdings of Interactive Investor Services Nominees Limited included 1,490,645,954 shares (representing 9.17% of the Company's then total issued ordinary shares) beneficially owned by Mr Christopher Cooke.

report of the directors

for the year ended 31 March 2024

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement on page 1. In addition, note 15 to the financial statements includes the Company's objectives, policies and processes for managing its capital, details of its financial risk management objectives, financial instruments and its exposures to credit risk and liquidity risks.

As set out in the investing policy below, the Company has continued to progress as a long-term investment company seeking to invest in early stage and pre-IPO businesses as well as companies listed on the London Stock Exchange. The board continues to maintain minimal running costs and considers cash reserves when seeking new investments. When appropriate and to service its cash requirements the board looks to realise investments into cash to enable it to fund working capital and also to make new investments.

Based on the considerations above, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the annual report and financial statements.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

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

Insofar as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

report of the directors

for the year ended 31 March 2024

Investing Policy

The investing policy of Vela Technologies plc is focused on enterprises using disruptive technology either to gain an advantage in an existing market or to create a new market. Within that over-arching strategy, Vela applies the following criteria in reaching an investment decision.

Stage of development

Usually (but not necessarily) investee businesses will have been operating for a number of years. They may be established businesses that are developing a new line of technology, or they may have been formed specifically in order to exploit a particular product which is expected to disrupt the market or create a completely new one. The investee business may not yet have achieved profitability.

Geographical focus

Investee companies will usually be based in the UK (including the Channel Islands) or derive a material proportion of their business from the UK. Conversely, investee companies may derive a significant proportion of their income from overseas but be based in the UK. It is unlikely that Vela would invest in a business headquartered overseas and deriving a majority of its business from outside the UK.

Sector focus

Disruptive technology is not confined to the pure technology sector, but may be found in IT software businesses, including SaaS (software as a service); or in 'bricks and mortar' businesses which use IT in innovative ways in order to disrupt the sector in which they operate.

The definition of disruptive may also extend to pharmaceutical businesses where, for example, a new drug may have the potential to make a beneficial impact on the treatment of medical conditions; as well as to companies operating in the wellness and life sciences sectors.

Corporate status

Vela aims to have a mix of private and publicly-traded investments.

The private companies will generally need to have ambitions for a public listing in a relatively short time period (i.e. within two years of investment); or, failing that, a plan to find a buyer for the business or to scale up the business (e.g. by merging with or acquiring another or by raising material additional equity funding) within a similar timescale.

Investments in public companies will usually be made as part of a development capital financing designed to accelerate the growth of the business.

Investment instruments

Vela will generally expect to make investments in the form of equity. It will also consider investing in loan stock which is convertible (at Vela's option) into equity shares. In certain cases (e.g. a new drug which may be one of a number being developed by the promoter) it may be appropriate for Vela to take an interest in the future cash flows from that drug. Vela's investments will rarely be in the form of pure debt.

Investments will usually be in the form of cash but may also take the form of an issue of new Vela shares.

In the case of equity investments, the Directors intend to take minority positions and investments will therefore typically be of a passive nature.

report of the directors

for the year ended 31 March 2024

Holding period

Vela invests with the intention of realising its investment within three years of investment. Investments can be made at the pre-IPO stage and in anticipation of a public listing for the shares, often within a few months. In such cases the whole or part of the investment may be sold on admission of the investee company's shares to trading on a stock exchange.

Investments in companies whose shares are not traded on a public exchange are, of course, inherently more difficult to realise; and so, although there may be an intention to list the shares or to sell the business, Vela may need to hold an investment in a private company for a longer time period.

The Directors intend to re-invest the proceeds of disposals in accordance with the Company's investing policy unless, at the relevant time, the Directors believe that there are no suitable investment opportunities in which case the Directors will consider returning the proceeds to shareholders in a tax efficient manner.

Number and size of investments

There is no limit on the number of projects into which the Company may invest except the capacity of Vela's investment team to appraise and monitor them. Similarly, the monetary quantum of each investment is a factor of the funds available to Vela at the point of investment. Both the number and size of investments will therefore vary according to Vela's human and monetary resources. Each of these will be referred to in Vela's annual and interim reports. As investments are made and new promising investment opportunities arise, further funding of the Company may be required to enable Vela to make further investments.

The Company will pursue a balanced portfolio of an even mixture of early stage, pre-liquidity event and liquid investments. While the aim is to have the portfolio split fairly evenly between the different stages of liquidity, there will be no set criteria for the proportion of the portfolio which will be represented by each investment type.

Equity interests will rarely exceed 10% of an investee's issued capital; and generally will be less than 3%.

Opportunistic investments

As a result of Vela's network of contacts in the financial markets, it occasionally receives invitations to invest in businesses which do not meet the core criteria of the investing policy. Nevertheless, if the Board considers that there is an opportunity to benefit by investing in such a proposition and thus allowing its shareholders access to investments in which they may otherwise not be able to participate, it may consider doing so. Such investments will be limited at 5% of the Company's net asset value and would usually be made on the strict understanding and expectation that any such investment would be held for the short term only.

Investment appraisal

In order to mitigate investment risk, the Directors will carry out a thorough appraisal of each potential investment. This appraisal may include site visits, analysis of financial, legal and operational aspects of each investment opportunity, meetings with management, risk analysis, review of corporate governance and anti-corruption procedures and, where the Directors see fit, the seeking of third-party expert opinions and valuation reports. Vela will not have a separate investment manager.

Nature of returns

It is anticipated that returns to Vela will be delivered through a combination of capital gain, dividend income and interest on convertible loans.

Given Vela's expected percentage holdings in investee businesses, it will be unusual for Vela to seek or be offered a position on the investee's board of directors. However, in those instances where it is felt desirable and appropriate for Vela to appoint a director, the fee earned from any such post held by a director or employee of Vela would be payable to Vela and form part of the return earned by Vela on its investment.

report of the directors

for the year ended 31 March 2024

Cash held by the Company pending investment, reinvestment or distribution will be managed by the Company and placed on deposit with banks so as to protect the capital value of the Company's cash assets. The Company may, where appropriate, enter into agreements or contracts in order to hedge against interest rate or currency risks.

Review of investing policy

The Directors will keep the investing policy under continuous review and will make and announce any non-material changes or variations as may be appropriate. Any material change or variation of the investing policy will be subject to prior approval of shareholders.

Post balance sheet events

Full details of events after the balance sheet date are disclosed in note 20.

Auditors

TC Group was re-appointed auditor at the 2023 AGM and its re-appointment will be proposed at the upcoming AGM in accordance with Section 489(1) of the Companies Act 2006.

Strategic Report

In accordance with section 414C of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company has prepared a Strategic Report, which includes information that would have been included in the Directors' Report.

On behalf of the Board

DocuSigned by:

Brent Fitzpatrick

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Brent Fitzpatrick MBE

Chairman

27 September 2024

independent auditor's report

for the year ended 31 March 2024

Opinion

We have audited the financial statements of Vela Technologies plc (the 'company') for the year ended 31 March 2024 which comprise the accounting policies, the statement of comprehensive income, the balance sheet, the cash flow statement, the statement of changes in equity and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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 entity's ability to continue to adopt the going concern basis of accounting included consideration of:

- the current cash reserves, other available liquid resources (such as listed investments that can be readily converted to cash) and expected future operating costs of the entity;
- the directors' investment plans and their ability to control cash outflows from future investing activities; and
- the adequacy of disclosures in relation to specific risks posed and the scenarios the directors have considered in reaching their going concern assessment.

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 entity'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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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

for the year ended 31 March 2024

This is not a complete list of all risks identified by our audit.

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>Management override of internal controls</p> <p>Under ISA (UK) 240 it is presumed that the risk of management override of internal controls is present in all entities.</p> <p>Additionally, the financial statements include balances that are subject to significant judgement and estimation uncertainty.</p> | <p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • reviewing the accounting estimates, judgements and decisions made by management; • performing testing of journal entries; and • reviewing the company's accounting records for evidence of any unusual significant transactions. |

| Key audit matter | How our audit addressed the key audit matter |
|---|--|
| <p>Investment activities</p> <p>The company is investing in pre-growth companies and investments represent a significant portion of the total assets of the company as at 31 March 2024. In addition, the Company holds a contract to secure an 8% interest in the commercialisation proceeds of an ongoing medical drug development trial. These trials have been successful to date and routes to commercialisation of the drug were being explored at the reporting date.</p> <p>The main risks included the accurate recording of investment activity during the year, valuation of investments and other similar financial assets held at the year-end and classification of those investments and other financial assets.</p> <p>Determining the fair value of unquoted investments and contracts involves a significant level of management judgement and there is therefore an increased risk of material errors in valuation of these investments and other financial assets.</p> | <p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • confirmation of the existence of investments and other financial assets through a combination of obtaining third-party confirmation from the company's investment custodians, obtaining direct confirmation from investee companies or agreement to other supporting documentation, such as share certificates and underlying contracts; • agreement of valuations of listed investments to quoted prices as at 31 March 2024; • in relation to valuations of unquoted investments in the year, ensuring that these were based on information which is considered to be a reliable estimate in accordance with the company's accounting policy and the accounting standards. Whilst noting that in some instances the level of information available on investee company performance and prospects is limited, we were satisfied that management utilised that information in order to reach a reasonable estimate of the year end valuation; and • in relation to other financial assets held at fair value, reviewing events after the date of initial investment in order to corroborate management's explanations for changes in fair value. |

Our application of materiality

The scope and focus of our audit were influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define materiality as the magnitude of misstatements in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced.

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

independent auditor's report

for the year ended 31 March 2024

Our application of materiality (continued)

We determined materiality for the financial statements as a whole to be £125,000, which was based on gross assets of the company, representing approximately 2% of the balance. This benchmark is considered the most appropriate because, for an investment holding company, the value of investments, which represents the most significant portion of gross assets, is the key performance indicator.

On the basis of our risk assessment, our judgement was that performance materiality for the financial statements should be 60% of materiality, amounting to £75,000

We report to the Board of Directors all identified unadjusted errors in excess of £6,250. Errors below that threshold would also be reported if, in our opinion as auditor, disclosure was required on qualitative grounds.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

independent auditor's report

for the year ended 31 March 2024

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was capable of detecting irregularities, including fraud

The objectives of our audit, in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (UK adopted international accounting standards, the Companies Act 2006 and AIM listing regulations) and the relevant tax compliance regulations in the UK;

independent auditor's report

for the year ended 31 March 2024

- We considered the nature of the company's activities, the control environment and business performance, including key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

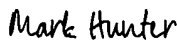
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect all non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit>. 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.

Signed by:



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Mark Hunter FCA
Senior Statutory Auditor
for and on behalf of TC Group
Statutory Auditor
6 Queen Street
Leeds
LS1 2TW

27 September 2024

accounting policies

for the year ended 31 March 2024

1a Presentation of financial statements

The financial statements of the Company have been prepared in accordance with United Kingdom adopted International Financial Reporting Standards (IFRS) and as applied in accordance with the provisions of the Companies Act 2006, and under the historical cost convention, as modified by the revaluation of certain financial assets held at fair value. All values presented in the financial statements are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

Changes in accounting policy

There are no new standards or amendments to standards which are mandatory for the first time for the financial year ended 31 March 2024 which have a significant impact on the Company.

At the date of authorisation of these financial statements, the Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

1b Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement and the Strategic report. The financial position of the Company, its cash flows and liquidity position are also described in the Chairman's statement and the Strategic report. In addition, the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of financial instruments and exposures to credit and liquidity risks are included in note 15 to the financial statements.

The board continues to maintain minimal running costs and considers both immediate and medium-term cash reserves when seeking new investments. When appropriate the board looks to realise investments into cash to enable it to fund working capital and also make new investments.

The Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and financial statements. Further information is also provided on page 12.

1c Summary of significant accounting policies

Taxation

Current tax is the tax currently payable based on taxable profit for the period.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are recognised in other comprehensive income in which case the related deferred tax is also charged or credited directly to other comprehensive income.

Financial instruments

A financial instrument refers to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity and is recognised on the Company's balance sheet when the Company becomes a party to the contractual terms of the instrument. Financial instruments include investments, cash and deposits, trade receivables and payables, derivative assets, other financial assets, loans and borrowings and equity securities.

accounting policies

for the year ended 31 March 2024

Investments

Purchases of investments are initially recognised at cost at the date of the transaction, being the fair value of the consideration.

Investments are subsequently valued at fair value, unless cost is deemed to be a reasonable approximation to fair value, in which case cost is applied. Note 15 sets out the estimation basis on which fair value is derived.

The Board manages the investments and constantly reviews their performance.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and, subsequently, measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and changes to debtor payment patterns are considered indicators that the trade receivable may be impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Trade and other payables

Trade and other payables are not interest-bearing and are stated at their fair value on initial recognition. They are then measured at amortised cost.

Loans and borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks that are readily convertible into known amounts of cash and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct costs.

Equity

Equity comprises the following:

| | | |
|----------------------|---|---|
| Share capital | – | represents the nominal value of equity shares |
| Share premium | – | represents the excess over the nominal value of the fair value of consideration for shares issued |
| Share option reserve | – | represents the cumulative charges for share-based payments |
| Retained earnings | – | represents the accumulated retained profits |

accounting policies

for the year ended 31 March 2024

Foreign currencies

The presentational currency is sterling. The Company's functional currency is sterling.

Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Gains and losses arising on retranslation of monetary assets and liabilities are included in net profit or loss for the period.

Segmental reporting

An operating segment is a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company);
- whose operating results are reviewed regularly by the Company's chief decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

The Company comprises a single operating segment being an investment Company operating solely within the United Kingdom. Further information on the segment is disclosed in note 1 to the financial statements.

Share-based payments

Share-based payments that are within the scope of IFRS 2 Share-based Payment have been recognised in the financial statements in accordance with that standard. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and, in accordance with IFRS 2, excludes the impact of non-market vesting conditions.

Equity-settled share-based payments are recognised as an expense in the income statement in accordance with IFRS 2 with a corresponding credit to equity. If a service period or other non-market vesting conditions apply, the expense is allocated over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period.

No adjustment is made to any expense recognised in prior periods of share options ultimately exercised that are different from the number that actually vested. Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital and, where appropriate, share premium. Fair values of share options or awards, measured at the date of the grant of the option or award, are determined using a Black Scholes model methodology.

1d Accounting estimates and judgements

Significant judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Investments and other financial assets - use of fair value or cost

Investments and other financial assets have been valued in accordance with the accounting policies set out in section 1c. The Directors have used their judgement in determining whether to value certain unquoted investments and other financial assets at cost as an estimate of fair value. The use of cost as an estimate of fair value is acceptable under IFRS 9 when there is insufficient more recent information available to measure fair value, but that cost is still deemed an appropriate estimate of fair value.

This cost basis has been applied in valuing the Company's other financial assets, with a carrying value of £2,350,000, as the directors' best estimate of fair value as at 31 March 2023. During the year the asset converted into shares on a trading platform and so is now valued at market price at 31 March 2024. Further details are provided in note 9.

accounting policies

for the year ended 31 March 2024

Investments – application of equity accounting or fair value accounting

The Directors have used their judgement in accounting for the Company's investment in Igraine PLC. The Company's holding represents in excess of 20% of the voting rights in the investee company and so indicates that the Company has significant influence over the investee company. Under such circumstances, IAS 28 would require the Company to account for the investee company as an associate, applying equity accounting. However, the Directors' view is that the Company qualifies for the exemption set out in paragraph 18 of IAS 28, which allows a venture capital entity to account for such holdings at fair value under IFRS 9. Accordingly, this investment is treated in a consistent manner to the Company's other investments, being measured at fair value at the reporting date.

Recognition of deferred tax assets

The Directors have also used their judgement in not recognising deferred tax assets as explained in note 6 to the financial statements.

Estimates

Fair value of investments

The fair value of certain investment holdings has been determined by the Directors using estimation techniques. Further details regarding the carrying value of these investments and the methods used to ascertain fair values is provided in note 15.

statement of comprehensive income

for the year ended 31 March 2024

| | Notes | Year ended 31 March 2024 £'000 | Year ended 31 March 2023 £'000 |
|--|-------|---|---|
| Revenue | 1 | - | - |
| Administrative expenses | 2 | (443) | (401) |
| Fair value movements | | | |
| – on investments | 8 | (357) | (26) |
| – on derivative instruments | 10 | - | 9 |
| Operating loss | 2 | (800) | (418) |
| Finance income | 4 | 23 | 40 |
| Loss before tax | | (777) | (378) |
| Income tax | 6 | - | - |
| Loss for the year and total comprehensive income attributable to the equity holders | | (777) | (378) |
| Loss per share | | | |
| Basic and diluted loss per share (pence) | 7 | (0.005) | (0.002) |

statement of financial position

as at 31 March 2024

| | Notes | 31 March 2024 £'000 | 31 March 2023 £'000 |
|-------------------------------------|-------|---------------------------|---------------------------|
| Non-current assets | | | |
| Investments | 8 | 5,487 | 3,193 |
| Trade and other receivables | 9 | 718 | 3,054 |
| Total non-current assets | | 6,205 | 6,247 |
| Current assets | | | |
| Derivative financial instruments | 10 | 32 | 72 |
| Cash and cash equivalents | 13 | 54 | 724 |
| Total current assets | | 86 | 796 |
| Total assets | | 6,291 | 7,043 |
| Equity and liabilities | | | |
| Equity | | | |
| Called up share capital | 12 | 3,320 | 3,291 |
| Share premium account | | 7,615 | 7,594 |
| Share option reserve | | 6 | 46 |
| Retained earnings | | (4,703) | (3,926) |
| Total equity | | 6,238 | 7,005 |
| Current liabilities | | | |
| Trade and other payables | 11 | 53 | 38 |
| Total current liabilities | | 53 | 38 |
| Total equity and liabilities | | 6,291 | 7,043 |

These financial statements were approved by the Board, authorised for issue and signed on its behalf on 27 September 2024 by:

Brent Fitzpatrick MBE
Chairman

DocuSigned by:
Brent Fitzpatrick
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Company registration number: 03904195

cash flow statement

for the year ended 31 March 2024

| | | Year ended 31 March 2024 £'000 | Year ended 31 March 2023 £'000 |
|---|-----------|---|---|
| | Notes | | |
| Operating activities | | | |
| Loss before tax | | (777) | (378) |
| Share-based payment | | - | 5 |
| Fair value movements on investments | 8 | 357 | 26 |
| Fair value movement on derivative assets | | - | (9) |
| Finance income | | (23) | (40) |
| Decrease in receivables | | - | 1 |
| Increase in payables | | 15 | 17 |
| Total cash flow from operating activities | | (428) | (378) |
| Investing activities | | | |
| Interest received | | 14 | 10 |
| Proceeds from disposal of investments | | 344 | 709 |
| Consideration for purchase of investments | | (650) | (575) |
| Total cash flow from investing activities | | (292) | 144 |
| Financing activities | | | |
| Proceeds from the issue of ordinary share capital | | 50 | - |
| Total cash flow from financing activities | | 50 | - |
| Net (decrease) in cash and cash equivalents | | (670) | (234) |
| Cash and cash equivalents at start of year | | 724 | 958 |
| Cash and cash equivalents at the end of the year | 13 | 54 | 724 |

Cash and cash equivalents comprise:

| | | | |
|---|-----------|-----------|------------|
| Cash at bank | | 54 | 724 |
| Cash and cash equivalents at end of year | 13 | 54 | 724 |

statement of changes in equity

for the year ended 31 March 2024

| | Share Capital £'000 | Share Premium £'000 | Retained Earnings £'000 | Share Option Reserve £'000 | Total Equity £'000 |
|--|---------------------------|---------------------------|-------------------------------|-------------------------------------|--------------------------|
| Balance at 1 April 2022 | 3,291 | 7,594 | (3,572) | 65 | 7,378 |
| Transactions with owners | | | | | |
| Share-based payment | - | - | - | 5 | 5 |
| Lapse of share options in the period | - | - | 24 | (24) | - |
| Transactions with owners | - | - | 24 | (19) | 5 |
| Total comprehensive income for the year | - | - | (378) | - | (378) |
| Balance at 31 March 2023 | 3,291 | 7,594 | (3,926) | 46 | 7,005 |
| Balance at 1 April 2023 | 3,291 | 7,594 | (3,926) | 46 | 7,005 |
| Transactions with owners | | | | | |
| Issue of share capital | 29 | 21 | - | - | 49 |
| Share-based payment | - | - | - | (40) | (40) |
| Transactions with owners | 29 | 21 | - | (40) | 9 |
| Total comprehensive income for the year | - | - | (777) | - | (777) |
| Balance at 31 March 2024 | 3,320 | 7,615 | (4,703) | 6 | 6,237 |

notes to the financial statements

for the year ended 31 March 2024

1 Revenue and segmental information

The Company is an investing company and as such there is only one identifiable operating segment, being the purchase, holding and sale of investments. Similarly, the Company operates in only a single geographic segment, being the United Kingdom. The results and balances and cash flows of the segment are as presented in the primary statements.

2 Loss from operations

The loss from operations is stated after charging:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--|---------------------------|---------------------------|
| Auditor's remuneration for the audit | 24 | 24 |
| Auditor's remuneration for corporation tax compliance services | 2 | 2 |
| Fair value movements on investments | 357 | 26 |
| Share-based payment | - | 5 |

3 Staff costs

The average number of persons employed or engaged by the Company (including Directors) during the period was as follows:

| | 31 March 2024 | 31 March 2023 |
|---------------------------------|------------------|------------------|
| Directors and senior management | 3 | 3 |
| Total | 3 | 3 |

The above included two individuals (2023 – two) employed by the Company and one (2023 – one) engaged under the terms of a letter of appointment.

The aggregate amounts charged by these persons were as follows:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|----------------------------|---------------------------|---------------------------|
| Wages and salaries | 124 | 124 |
| Social security costs | 10 | 10 |
| Amounts invoiced | 62 | 69 |
| Share-based payment charge | - | 5 |
| | 196 | 208 |

The amounts noted above relate to the Company's directors. Further details of directors' remuneration are provided in note 5.

4 Finance income and expense

Finance income

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|-----------------------------|---------------------------|---------------------------|
| Other interest receivable | 23 | 40 |
| Total finance income | 23 | 40 |

Finance income includes £9,000 (2023: £30,000), representing the unwinding of the discount on the Company's loan receivable from BIXX Tech Limited. Further details are provided in note 9.

notes to the financial statements

for the year ended 31 March 2024

5 Directors and senior management

Directors' remuneration

| | Year ended 31 March 2024 | | | | |
|-------------------|--------------------------|---------------|------------------|-----------------|----------------|
| | Salary £'000 | Fees £'000 | Pension £'000 | Equity £'000 | Total £'000 |
| Brent Fitzpatrick | - | 62 | - | - | 62 |
| James Normand | 62 | - | - | - | 62 |
| Emma Wilson | 62 | - | - | - | 62 |
| | 124 | 62 | - | - | 186 |

| | Year ended 31 March 2023 | | | | |
|--|--------------------------|---------------|------------------|-----------------|----------------|
| | Salary £'000 | Fees £'000 | Pension £'000 | Equity £'000 | Total £'000 |
| Brent Fitzpatrick | - | 62 | - | - | 62 |
| Antony Laiker (appointed 21 July 2022 / resigned 19 October 2022) | - | 7 | - | - | 7 |
| James Normand | 62 | - | - | - | 62 |
| Emma Wilson (appointed 1 September 2021) | 62 | - | - | - | 62 |
| | 124 | 69 | - | - | 193 |

Directors' and senior management's interests in shares

The Directors who held office at 31 March 2024 held the following shares:

| | 31 March 2024 | 31 March 2023 |
|-------------------|------------------|------------------|
| Brent Fitzpatrick | 1,500,000 | 1,500,000 |
| James Normand | - | - |
| Emma Wilson | - | - |

On 30 July 2024 Brent Fitzpatrick acquired in the market a further 30 million shares.

The total share-based payment costs in respect of options granted are:

| | 31 March 2024 | 31 March 2023 |
|-----------|------------------|------------------|
| | £'000 | £'000 |
| Directors | - | 5 |

As at 31 March 2024, the total number of outstanding options held by the Directors over ordinary shares was 270,000,000 (2023: 270,000,000), representing 1.7 per cent of the Company's issued share capital.

Further details regarding the options issued are provided in note 17.

notes to the financial statements

for the year ended 31 March 2024

6 Tax

There was no charge to current or deferred taxation in the current or prior period.

A deferred tax asset relating to losses carried forward has not been recognised due to uncertainty over the existence of future taxable profits against which the losses can be used. The Company has unused tax losses of approximately £6.7m (2023: £6.7m).

Tax reconciliation

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--|---------------------------|---------------------------|
| Loss before tax | (777) | (378) |
| Tax at 25%/19% on loss before tax | (194) | (72) |
| Effects of: | | |
| Loss relief carried forward but not recognised | 194 | 72 |
| Total tax expense | - | - |

7 Loss per share

Loss per share has been calculated on a loss after tax of £777,000 (2023: loss after tax of £378,000) and the weighted average number of shares in issue for the year of 16,546,452,831 (2023: 16,252,335,184).

8 Investments

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--|---------------------------|---------------------------|
| Opening fair value | 3,193 | 2,603 |
| Additions during the year at cost | 650 | 1,325 |
| Re-classification on listing of financial asset | 2,350 | - |
| Fair value of disposals made during the year | (349) | (709) |
| Movement in fair value charged to profit or loss | (357) | (26) |
| Closing balance | 5,487 | 3,193 |

Investments are held at fair value through profit and loss using a three-level hierarchy for estimating fair value. Note 15 provides details of the three-level hierarchy used.

Additions during the year:

Investment in Tribe Technology Group Limited ("Tribe Tech")

In May 2023, Vela invested £250,000 in Tribe Tech via an advance subscription agreement as part of a pre-IPO funding round. The IPO completed on 5 September 2023 and Vela was issued with shares at a price of 8p per share which was equivalent to 80% of the IPO issue price. Following the investment, Vela is interested in 3,125,000 ordinary shares representing 1.29 per cent of Tribe Tech's current issued share capital.

Exercise of put option in Conduit Pharmaceuticals Limited ("Conduit")

On 1 December 2023, Vela exercised the put option to sell its economic interest for share in Conduit. Under the terms of the agreement, Vela received 1,015,760 new shares of authorised common stock of par value \$0.001. As a result, the asset has been revalued to £4.0 million at the balance sheet date and is now held as an investment on the balance sheet and, in line with other listed investments, will in the future be valued using market prices. Further details are disclosed in note 9.

notes to the financial statements

for the year ended 31 March 2024

8 Investments (continued)

Disposals during the year:

Part Disposal in EnSilica Plc ("*EnSilica*")

During the year the Company disposed of a total of 333,000 shares at an average price of 63p per share, generating gross proceeds of £209,780 for the Company. Following the disposals, Vela remained interested in 776,707 ordinary shares after these disposals.

Full disposal in Kanabo Group Plc ("*Kanabo*")

During the year the Company disposed of a total of 1,157,692 shares at a price of 2.4p per share, generating gross proceeds of £28,224 for the Company.

Part disposal in Northcoders Group plc ("*Northcoders*")

In May 2023 the Company disposed of a total of 2,500 shares at a price of £3.00 per share, generating gross proceeds of £7,189 for the Company. Following the disposals, Vela remained interested in 347,499 ordinary shares.

Part disposal of investment in Finseta PLC (formerly Cornerstone FS plc ("*Finseta*")

During the year the Company disposed of a total 195,902 shares in Finseta at a price of 28.7p per share, generating gross proceeds of £56,285. Following the disposal, Vela remained interested in 400,000 shares.

Part disposal of investment in Conduit Pharmaceuticals Inc ("*Conduit*")

During the year the Company disposed of a total 10,000 shares in Conduit at a price of 249p per share, generating gross proceeds of £24,909. Following the disposal, Vela remained interested in 1,005,760 shares.

Part disposal of investment in MTI Wireless Edge Ltd ("*MTI*")

During the year the Company disposed of a total 50,000 shares in MTI at a price of 44.8p per share, generating gross proceeds of £22,388. Following the disposal, Vela remained interested in 200,000 shares.

9 Trade and other receivables – non-current

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|---------------------------------|---------------------------|---------------------------|
| Loan due from BIXX Tech Limited | 718 | 704 |
| Other financial asset | - | 2,350 |
| | 718 | 3,054 |

Loan due from BIXX Tech Limited

The loan represents the consideration receivable for the disposal of certain investment assets in August 2020, as detailed in previous financial statements. The total consideration receivable is £855,000, which is receivable after seven years. The consideration has been discounted at a market interest rate at the time of the transaction of 4.5% to reflect the deferred payment term. Income of £9,000 (2023: £30,000), represents the unwinding of the discount and is recognised within finance income in note 4.

Under the terms of the loan agreement, the Company has provided an undertaking to distribute a sum equal to any repayment of the loan to the holders of the Special Deferred Shares (see note 12). This distribution will be by way of a dividend declared on the Special Deferred Shares ("the Special Dividend"). In the event that insufficient distributable reserves exist at the end of the seven-year loan term, the repayment of the loan will be deferred for a further year. This deferral will continue until such a time as the Company has sufficient distributable reserves to be able to pay the Special Dividend.

Other financial asset - Investment in St George Street Capital

On 20 October 2020, the Company entered into a contract with St George Street Capital ("SGSC") for an 8% economic interest in the potential future commercialisation of SGSC's asset to treat individuals with diabetes who are suffering with COVID-19 ("the Asset"). The consideration payable under the terms of the contract was £2.35m which was settled by cash of £1.25m and the issue of 1,100,000,000 locked-in consideration shares at a price of 0.1 pence per share. The directors considered that this represented the fair value of the contract at the date of investment. The contract gave the Company a right to future economic benefits and was classified as a financial asset measured at fair value through profit and loss. The contract did not include a defined exit date and so was classified as non-current at previous reporting dates, as the Company did not have an unconditional right to require settlement of the contract within 12 months.

notes to the financial statements

for the year ended 31 March 2024

Other financial asset - Investment in St George Street Capital (continued)

In April 2023, the Company announced that it had entered into a put option agreement to give the Company the right, but not the obligation, to sell its economic interest in the commercialisation of the Covid-19 application of AZD1656 for shares in Conduit Pharmaceuticals Limited ("Conduit"). The Option was granted by Conduit and its prospective parent company, Murphy Canyon Acquisition Corp, a Company listed on NASDAQ.

On 1 December 2023, Vela exercised the put option to sell its economic interest in return for shares in Conduit. Under the terms of the option agreement Vela received 1,015,760 new shares of authorised common stock of par value \$0.001. In accordance with Vela's accounting policy, these shares have been revalued using the market price at the balance sheet date and is now included at this value (£2.9 million) with other listed investments.

10 Derivative financial instruments

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|----------|---------------------------|---------------------------|
| Warrants | 32 | 72 |
| | 32 | 72 |

The Company holds warrants providing it with the right to acquire additional shares in certain of its investee companies at a fixed price in the future, should the directors decide to exercise them. The warrants have been recognised as an asset at fair value, which has been calculated using an appropriate option pricing model.

11 Trade and other payables

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|----------------|---------------------------|---------------------------|
| Trade payables | 31 | 3 |
| Accruals | 22 | 35 |
| | 53 | 38 |

12 Share capital

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|---|---------------------------|---------------------------|
| Allotted, called up and fully paid capital | | |
| 16,546,452,831 (2023 – 16,252,335,184) Ordinary Shares of 0.01 pence each | 1,654 | 1,625 |
| 1,748,943,717 Deferred Shares of 0.08 pence each | 1,399 | 1,399 |
| 2,665,610,370 Special Deferred Shares of 0.01 pence each | 267 | 267 |
| | 3,320 | 3,291 |

notes to the financial statements

for the year ended 31 March 2024

Share issue

During the year the Company issued 294,117,647 ordinary shares of 1p each in settlement of corporate advisory fees from Peterhouse Capital Limited totalling £50,000.

Share rights

The Deferred and Special Deferred Shares are not listed on AIM and do not carry any rights to receive notice of or attend or speak or vote at any general meeting or class meeting. There are also no dividend rights, other than the "Special Dividend" on the Special Deferred Shares. As described in note 9, upon repayment to the Company of any amount(s) owed to it pursuant to the loan agreement between the Company and BIXX Tech Limited, the Company shall, in priority to any payment of dividend to the holders of the ordinary shares or any other class of shares, declare and pay to the holders of the Special Deferred shares a Special Dividend of an aggregate amount equal to the amount of such sum repaid, pro rata according to the number of Special Deferred Shares paid up.

On a return of capital, the holders of the Special Deferred Shares shall be entitled to receive only the amount paid up on such shares up to a maximum of 0.01 pence per Special Deferred Share after (i) the holders of the Ordinary Shares have received the sum of £1,000,000 for each Ordinary Share held by them, and (ii) the holders of the Deferred Shares have received the sum equal to the amount paid up on such Deferred Shares.

13 Cash and cash equivalents

Cash and cash equivalents comprise the following:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|---|---------------------------|---------------------------|
| Cash and cash in bank: | | |
| Pounds sterling | 54 | 724 |
| Cash and cash equivalents at end of year | 54 | 724 |

14 Financial instruments

The Company uses various financial instruments which include cash and cash equivalents, loans and borrowings and various items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations and manage its working capital requirements.

The fair values of all financial instruments are considered equal to their book values. The existence of these financial instruments exposes the Company to a number of financial risks which are described in more detail below.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Directors review and agree the policies for managing each of these risks and they are summarised below. The Company does not have any borrowings on which interest is charged at a variable rate. The Directors, therefore, do not consider the Company to be exposed to material interest rate risk.

Credit risk

This section, along with the liquidity risk and capital risk management sections below, also forms part of the Strategic Report.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--|---------------------------|---------------------------|
| Classes of financial assets – carrying amounts | | |
| Financial assets measured at fair value through profit or loss | 5,519 | 5,615 |
| Financial assets measured at amortised cost | 718 | 704 |
| | 6,237 | 6,319 |

The Company's management considers that all of the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality.

notes to the financial statements

for the year ended 31 March 2024

14 Financial instruments (continued)

The Company is required to report the category of fair value measurements used in determining the value of its financial assets measured at fair value through profit or loss, to be disclosed by the source of its inputs, using a three-level hierarchy. There have been no transfers between Levels in the fair value hierarchy.

Quoted market prices in active markets – “Level 1”

Inputs to Level 1 fair values are quoted prices in active markets for identical assets. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company has twelve (2023: eleven) investments classified in this category all of which are listed on a regulated exchange with publicly available market prices used to determine the year end value.

The aggregate historic cost of the twelve investments is £5,831,316 (2023: £3,145,110) and their fair value as at 31 March 2024 was £4,658,581 (2023: £2,364,534).

Valued using models with significant observable market parameters – “Level 2”

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The Company has two (2023: two) unquoted investments classified in this category. The historic cost of these investments is £450,000 (2023: £450,000) and the fair value as at 31 March 2024 was £828,186 (2023: £828,186). These investments were valued using the latest transaction prices for shares in the investee companies which were obtained through either (a) publicly available information (e.g. registrar), (b) information in respect of recent transactions which the Company was invited to participate or, where available, (c) direct liaison with the investee company. The Company also holds warrants for shares in two investee companies, which have been valued using an option pricing model with observable inputs. The fair value of these assets as at 31 March 2024 was £32,273 (2023: £71,827).

Valued using models with significant unobservable market parameters – “Level 3”

Inputs to Level 3 fair values are unobservable inputs for the asset. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date (or market information for the inputs to any valuation models). As such, unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset. The Company has two (2023: two) unquoted investments classified in this category. The historic cost of these investments is £300,000 (2023: £300,000) and the fair value as at 31 March 2024 was £nil (2023: £nil). The nature of some of the investments that the Company holds, i.e. minority shareholdings in private companies with limited publicly available information, means that significant judgement is required in estimating the value to be applied in the year end accounts. Management uses knowledge of the sector and any specific company information available to determine a valuation estimate.

Liquidity risk

The Company maintains sufficient cash to meet its liquidity requirements. Management monitors rolling forecasts of the Company's liquidity on the basis of expected cash flow in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these.

Maturity analysis for financial liabilities

| | 31 March 2024 | | 31 March 2023 | |
|--------------------------|---------------------------|----------------------------------|---------------------------|----------------------------------|
| | Within 1 year £'000 | Later than 1 year £'000 | Within 1 year £'000 | Later than 1 year £'000 |
| At amortised cost | 53 | - | 38 | - |

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. This is achieved by making investments commensurate with the level of risk. The Company is performing in line with the expectations of the Directors.

The Company monitors capital on the basis of the carrying amount of equity. The Company policy is to set the amount of capital in proportion to its overall financing structure, i.e. equity and long-term loans. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or loan notes, or sell assets to reduce debt.

notes to the financial statements

for the year ended 31 March 2024

15 Reconciliation of net funds

| | As at 1 April 2023 £'000 | Cash flow £'000 | Non-cash movement £'000 | As at 31 March 2024 £'000 |
|---------------------------|-----------------------------------|-----------------------|-------------------------------|------------------------------------|
| Cash and cash equivalents | 724 | (670) | - | 54 |
| | 724 | (670) | - | 54 |

16 Share-based payments

On 26 August 2020 two of the Directors were granted equity settled share-based payments. The principal terms of these grants are as follows:

James Normand was granted 180,000,000 options to subscribe for ordinary shares of 0.01p each in the Company. The options have an exercise price of 0.024p and are exercisable for a period of ten years from the date of the grant. Half the options became exercisable 12 months after grant, subject to the Company's closing mid-market share price being at least 0.048p per Ordinary Share for 30 consecutive business days, and the remaining half become exercisable 24 months after grant, subject to the Company's closing mid-market share price being at least 0.072p per Ordinary Share for 30 consecutive business days.

In addition, on the same date, Brent Fitzpatrick, Non-Executive Chairman of the Company, was granted 90,000,000 options to subscribe for Ordinary Shares in the Company. The options have an exercise price of 0.024p and are exercisable for a period of ten years from the date of the grant. Half the options became exercisable 12 months after grant, subject to the Company's closing mid-market share price being at least 0.048p per Ordinary Share for 30 consecutive business days, and the remaining half become exercisable 24 months after grant, subject to the Company's closing mid-market share price being at least 0.072p per Ordinary Share for 30 consecutive business days. Following this grant of options, Brent Fitzpatrick held a total of 104,562,427 share options equivalent to 1.46 per cent. of the issued share capital of the Company at the time.

None of the options granted have been exercised.

The options issued in August 2020 have been valued using the Monte Carlo option pricing model. The amount of remuneration expense in respect of the share options granted amounts to £nil (2023: £5,000).

Details of the options outstanding at the year end and the inputs to the option pricing model are as follows:

| | Options granted 26 August 2020 |
|--------------------------------------|---|
| Share price at grant date (pence) | 0.05 |
| Exercise price (pence) | 0.024 |
| Expected life (years) | 10 |
| Annualised volatility (%) | 86.9 |
| Risk-free interest rate (%) | 2.0 |
| Fair value determined (pence) | 0.03 |
| Number of options granted | 270,000,000 |
| Options exercisable at 31 March 2024 | 270,000,000 |

The expected future annualised volatility was calculated using historic volatility data for the Company's share price.

notes to the financial statements

for the year ended 31 March 2024

17 Contingent liabilities

Under the terms of the Company's loan receivable from BIXX Tech Limited, described in note 9, the Company has provided an undertaking to distribute a sum equal to any repayment of the loan to the holders of the Special Deferred Shares (see note 12). This distribution will be by way of a dividend declared on the Special Deferred Shares ("the Special Dividend"). In the event that insufficient distributable reserves exist at the end of the seven-year loan term, the repayment of the loan will be deferred for a further year. This deferral will continue until such a time as the Company has sufficient distributable reserves to be able to pay the Special Dividend. As at 31 March 2024, the carrying value of the loan receivable was £718,000 (2023: £704,000) and, at the scheduled maturity date, the final settlement value will be £855,000.

18 Related party transactions

During the period the Company entered into the following related party transactions. All transactions were made on an arm's length basis.

Ocean Park Developments Limited

Brent Fitzpatrick, Non-Executive Director, is also a Director of Ocean Park Developments Limited. During the year, the Company paid £62,000 (2023: £62,000) in respect of his Director's fees to the Company. The balance due to Ocean Park Developments Limited at the year-end was £nil (2023: £nil).

19 Events after the balance sheet date

Issue of share capital

In July 2024 the Company announced that Brent Fitzpatrick, Non-Executive Chairman, bought 30,000,000 ordinary shares of 0.01 pence each in the Company at 0.0085p per Share. Following the above purchase, Mr Fitzpatrick now has a total beneficial interest in 31,500,000 Ordinary Shares, equivalent to approximately 0.17 per cent. of the Company's issued share capital.

Investment in Hamak Gold Limited and issuance of Share Capital

In July 2024 the Company announced that it had entered into an unsecured convertible loan note instrument with Hamak Gold Limited ("Hamak"), the Liberia-based gold exploration and development company.

As part of the Agreement, Vela issued 2,424,242,424 new ordinary shares of 0.01 pence each to Hamak at a deemed issue price of 0.012375 pence per share in consideration of the issue to Vela by Hamak of £300,000 of unsecured convertible loan notes of £1. The deemed issue price represented a premium of 7.61 per cent. to Vela's closing mid-market price of 0.0115p on 16 July 2024.

The investment in the Loan Notes has been made by Vela in line with the opportunistic investments category of the Company's stated investing policy. The investment does not meet the core criteria of the Company's investment policy, which is focused on the disruptive technology sector, but, in accordance with the constraints of this investment category, it comprises less than 5% of the Company's net asset value and is intended to be held for the short term only.

Part disposal of shares in EnSilica plc

After the year end the Company disposed of an aggregate of 160,000 shares at an average price of 59p per share, generating gross proceeds of £94,029 for the Company. Following the disposals Vela remained interested in 616,707 ordinary shares.

Part disposal of shares in Skillcast Group plc

After the year end the Company disposed of a total of 50,000 shares at a price of 37p per share, generating gross proceeds of £18,485 for the Company. Following the disposals Vela remained interested in 625,676 ordinary shares.

Disposal of holding in MTI Wireless Edge Ltd

After the year end the Company disposed of its entire holding of 200,000 shares at a price of 46p per share, generating gross proceeds of £92,000 for the Company.

Update on Conduit Pharmaceuticals Inc

Vela holds 1,005,760 common shares in Conduit representing 0.46% of Conduit's issued share capital. As described in the Chairman's statement the market value has collapsed since the year end. At the closing mid-market price of \$0.13 per share on 19 September 2024, Vela's holding in Conduit is valued at approximately £130,000 which compared to the carrying value in these accounts of approximately £2,924,000 at which this investment is held in these financial statements.