

# Sure Ventures plc

## Annual Report and Audited Financial Statements

For the year ended 31 March 2024

Company Number: 10829500

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# 1 Investment Objective, Policy and Performance Summary

## Investment Objective

The investment objective of Sure Ventures plc (the “Company”) is to achieve capital growth for investors.

## Investment Policy

The Company’s Investment Policy can be found at page 71 of this Annual Report.

## Performance Summary

	31 March 2024	31 March 2023
<b>Number of ordinary shares in issue</b>	7,051,600	6,646,472
<b>Market capitalisation</b>		
- <i>Ordinary shares (in sterling)</i>	5,182,926	6,314,148
<b>Net asset value (“NAV”) attributable to ordinary shareholders</b>		
- <i>Ordinary shares</i>	£5,819,730	£7,963,207
<b>NAV per share attributable to ordinary shareholders</b>		
- <i>Ordinary shares (in sterling)</i>	82.53p	119.81p
<b>Ordinary share price (bid price)</b> in sterling	73.50p	95.00p
<b>Ordinary share price deficit to NAV</b> in sterling	(10.94%)	(20.71%)
<b>Investments held at fair value through profit and loss</b>	£6,236,446	£8,196,153
<b>Cash and cash equivalents</b>	£65,209	£36,697

## Dividend History

There were no dividends paid during the year (2023 – None).

## Listing Information

The Company’s shares are admitted to trading on the Specialist Fund Segment (SFS) of the London Stock Exchange.

The ISIN number for the GBP shares is GB00BYWYZ460, Ticker: SURE.

## Website

The Company’s website address is <http://www.sureventuresplc.com>.

# 2 Chairman's Statement

# Chairman's Statement

Dear Shareholders,

On behalf of my fellow Directors, I am pleased to present Sure Ventures plc's results for the year ended 31 March 2024.

## FINANCIAL PERFORMANCE

For the year to 31 March 2024, the Company reported a net asset value ("NAV") total return per share of -31.12% (31 March 2023: -7.06%). This performance is due largely to the liquidation of two investee companies from the Fund I portfolio (as defined and further described below), and a follow-on down round of another Fund I investee company. However, the Company made extensive efforts to facilitate a successful exit of another investee company, and there is continued optimism for at least one negotiated exit before the current financial year end.

Since the Company's incorporation in 2017, it has created a balanced portfolio of early-stage technology companies in rapidly evolving sectors of AI, AR/VR, IoT, and cybersecurity. The Fund I portfolio is now at the realisation stage, and it was always expected that some investments would not reach Series A funding rounds and beyond. However, the remainder of the Fund I portfolio is performing well, with a many of the companies demonstrating robust business models and benefitting from healthy revenue streams. This is expected to provide significant uplifts in the coming quarters. Fund II is in its investment stage and the portfolio is performing as expected.

We are in a challenging investment environment. Many of the AI portfolio investments continue to show resilience, as this sector remains essential in any diversified technology-based portfolio. With high global interest rates, upcoming elections in more than 50 countries, and ongoing geopolitical conflicts, AI is the bright spot in an uncertain global venture capital landscape.

Regarding current market developments, Apple recently announced Apple Intelligence, incorporating OpenAI's ChatGPT into Siri, and integrating AI in its suite of other products. In AR/VR, Apple has updated the operating system for its mixed reality Vision Pro headset, and this update could be a game-changer for the AR/VR consumer market. And in cybersecurity, several high-profile ransomware attacks have made recent headlines such as Santander, Ticketmaster and London NHS hospitals. While AI might increase global ransomware threats, generative AI will likely offset this by improving threat identification. The investment portfolio has plenty of exposure to AI, AR/VR and cybersecurity sectors.

The Fund I portfolio is complete, with no new investments planned. Remaining capital will be allocated to follow-on rounds for current investee companies. Conversely, Fund II is in early investment stages, with investments in just three companies as at the year end. As at 31 March 2024, the Company's NAV attributable to shareholders declined by £2.15m to £5.82m due to a combination of NAV performance and new subscriptions.

In line with the market trend, the Company's share price now trades at a discount to its last published NAV. However, in May 2023 and August 2023, the Company validated its share price by raising new subscriptions through private placements at the mid-market share price. Additionally, post year end in June 2024, the Company completed a private placement generating net proceeds of £200k, demonstrating its ability to capital raise in challenging market conditions.

## PORTFOLIO UPDATE FUND I

The Company's first fund investment in Sure Valley Ventures, a Sub-Fund of Suir Valley Fund ICAV ("Fund I") is a substantial part of the Company's investment strategy. We committed €7m to Fund I, and as at 31 March 2024, €6,756,616 has been drawn down.

In 2019, the Company invested directly in VividQ Limited, a pioneer of AR/VR holography. The investment provided an unrealised uplift in May 2021, and after a discounted follow-on round in January 2024, the Company decided to reduce its exposure by selling this holding to the ICAV, crystallising a loss of £185k.

During the year, two investments were liquidated and written down to zero. WarDucks struggled to secure funding in a difficult global gaming market to further its game launch, in this very difficult time for the gaming business globally. Ambisense, which specialised in environmental analytics and risk assessment, focusing on infrastructure projects, couldn't secure contracts needed to stay afloat. These write-downs significantly impacted the Company's NAV.

As at the year end, the Fund I portfolio included two listed entities; ENGAGE XR Holdings plc, a VR software developer and Smarttech247, a leader in AI and cybersecurity cloud technologies. ENGAGE's share price closed around 50% lower during the year. Smarttech247 performed well, and post year end the AIFM sold the entire holding, resulting in a small gain.

The Fund I portfolio includes ten privately held companies in AI, AR/VR, IoT and cybersecurity. In 2019, the Company achieved its first successful exit via Fund I with Artomatix, which provided a x5 return on the original investment. Prior to the WarDucks and Ambisense liquidations, the first write-downs occurred in the year ended 31 March 2023 for Buymie and NDRC@Arclabs. Buymie was acquired in 2023, and NDRC's incubator programme concluded, justifying the write-off.

## PORTFOLIO UPDATE FUND II

In March 2022, the Company committed £5m to the Sure Valley Ventures Enterprise Capital Fund ("Fund II"), an £85m UK software technology fund. The fund focuses on AR/VR, the Metaverse, AI, IoT, and cybersecurity, with the British Business Bank as a cornerstone investor. Fund II aims to invest in up to 25 software companies.

As at 31 March 2024, Fund II has invested in three companies; Retinize, a Belfast-based creative tech company; Jaid, a technology company offering AI-powered communication solutions; and Captur, a London-based enterprise AI platform for real-time image recognition. A total of £527k has been invested in these three companies and the deal pipeline remains healthy, with plans for 6-8 new investments this year.

## COMMITMENTS AND FUNDING

In 2019, the Company increased its subscription to Fund I by €2.5m, raising its total commitment to €7m. This enhanced our share in Fund I 25.9%, with approximately €250k remaining to be funded. The Company's £5m commitment to Fund II is spread over the investment period. The Company believes it has sufficient access to funding to meet its remaining commitments to both funds, supported by available cash, liquid investments, anticipated subscriptions, and access to loans and equity subscription facilities.

## INVESTMENT ENVIRONMENT

The Company pleased with the performance of the remaining investments in Fund I and their potential for delivering higher valuations and negotiated exits in the next one to two years. Currently it is pursuing exits in several of the key portfolio investments and, if sold, these investments could return substantial value to the Company's NAV.

The pace of technological change is rapid, and our diverse portfolio is well-positioned to benefit from these developments. The initial investments for Fund II and the varied deal pipeline is encouraging and developing extremely well.

## DIVIDEND

The Company did not declare a dividend for the year ended 31 March 2024 (31 March 2023: £nil). Our dividend policy focuses on capital growth rather than income. Significant dividends or other income from its investments are not expected. While annual dividends are not anticipated, there may be potential for one-off dividends at the Directors' discretion if circumstances and liquidity allow.

## GEARING

The Company may use gearing of up to 20% of NAV for liquidity, capital flexibility, and portfolio management. Primary gearing includes bank borrowings and may also involve derivatives and other methods as determined by the Board. As at 31 March 2024, the Company had borrowings of £400,000 drawn from a £1,000,000 loan facility with Shard Merchant Capital Limited. The Board and Investment Manager regularly review borrowing in line with cash management and investment strategy.

## CAPITAL RAISING

On 5 May 2023, the Company announced a placing of 200,000 ordinary shares on the Specialist Fund Segment of the London Stock Exchange. A further placing of 205,128 ordinary shares was announced on 21 August 2023. This increased the Company's total shares in admission to 7,051,600 as at 31 March 2024. Post year end, a further 275,862 ordinary shares were placed, raised £200,000 and taking the total shares in admission to 7,327,462.

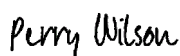
The Investment Manager's Report following this statement provides more details on the Company's operations and prospects. The Board remains confident in the Company's long-term prospects and its investment objectives.

## OUTLOOK

It cannot be denied that this has been a tough year for the Company with a 31.12% reduction in the Company's NAV. It needs to be understood is that the Company has robust risk controls and can withstand this environment. Not all investments will succeed, and the Company would rather focus valuable funding and personnel resources on those investments likely to achieve successful negotiated exits, than support ailing start-ups with little chance of success.

Continued high interest rates have dampened investor appetite for funding start-up companies and the continued need that they have for further funding commitments. This is a theme across the Venture Capital sector. Many of the Company's investment verticals are essential for global economic development - AI and cybersecurity are critical now and will continue to be in the future.

Reoccurring revenue streams, contract wins, and growth stories are evident in the Company's portfolio. Several key investments are at exciting development stages. We remain confident there are compelling facts which justify the Company to be optimistic about significant valuation uplifts in the short-term.



**Perry Wilson**

Chairman  
23 July 2024



# 3 Investment Manager's Report

# Investment Manager's Report

## THE COMPANY

Sure Ventures plc (the "Company") was established to enable investors to gain access to early-stage technology companies in the four exciting and expansive market verticals of Augmented Reality & Virtual Reality (AR/VR), Artificial Intelligence (AI), Cybersecurity and the Internet of Things (IoT).

The Company gains access to deal flow ordinarily reserved for venture capital funds and ultra-high net worth angel investors, establishing a diversified software-centric portfolio with a clear strategy. Listing the Company on the London Stock Exchange offers investors:

- Relative liquidity
- A quoted share price
- A high level of corporate governance

It is often too expensive, too risky and too labour-intensive for investors to build a portfolio of this nature themselves. We are leveraging the diverse skillsets of an experienced management team who have the industry network to gain access to quality deal flow, the expertise to complete extensive due diligence in target markets and the entrepreneurial skills to help these companies to mature successfully. Those investing in the Company will get exposure to Sure Valley Ventures which in turn makes direct investments in the above sectors in the UK & Ireland.

### Artificial Intelligence

The global technology landscape is undergoing a profound transformation, with AI emerging as the driving force behind this revolution. While AR/VR, the IoT and Cybersecurity remain important areas of innovation, their trajectories are increasingly intertwined with the advancements in AI.

The global AI market size was valued at USD 515.31 billion in 2023 and is projected to grow from USD 621.19 billion in 2024 to USD 2,740.46 billion by 2032, exhibiting a Compound Annual Growth Rate ("CAGR") of 20.4% during the forecast period (2024-2032). This growth is fuelled by the increasing demand for AI-powered solutions across industries, ranging from healthcare and finance to manufacturing and entertainment. AI is a field focused on creating intelligent systems that can emulate human cognitive abilities such as learning, reasoning, problem-solving, and decision-making. AI involves developing algorithms and computational models capable of processing and analysing data, recognising patterns, and providing insights to aid decision-making processes.

AI holds significant potential for driving innovation and transforming various industries. By automating repetitive tasks, AI can enhance operational efficiency and productivity, allowing human resources to be allocated to more strategic and creative endeavours. Moreover, AI's ability to analyse vast amounts of data can uncover valuable insights, enabling more informed decision-making and problem-solving in areas such as healthcare, finance, and scientific research. AI also presents opportunities for personalised experiences through understanding individual preferences and behaviours, leading to tailored products, services, and recommendations. Additionally, AI-powered intelligent assistants, chatbots, and autonomous systems can improve accessibility, convenience, and safety in various domains.

The growth of the AI market is being driven by a number of factors, including the increasing adoption of AI technologies across various industries, the growing demand for automation and efficiency, and the development of new AI applications. Additionally, the increasing availability of data and advancements in computing power are also contributing to the growth of the AI market.

### Recent developments within the AI Space include:

- Google I/O Event: Google announced a whole slew of AI related features and functionality the Google I/O Event in May 2024 including AI Generated Search Overviews (an entire AI-generated search results page), Gemini 1.5 Flash (a smaller and faster version of the next generation of Gemini large language models), Project Astra (Google DeepMind's vision for the future of AI assistants. The aim is to develop AI that can understand and respond to situations similarly to humans), VEO Video Creation (a model that can create high quality video output from text, image and video prompts. This is a competitor for Open AI's Sora model which can create video from text.).

- OpenAI release GPT-4o: Their newest flagship model provides GPT-4-level intelligence but is much faster and improves on its capabilities across text, voice, and vision.
- xAI secures USD 6B to challenge OpenAI in AI race: This money will help bring xAI's first products to market, build advanced infrastructure, and accelerate research and development efforts into future technologies.
- Microsoft announces Copilot+ PCs: a new category of Windows PCs designed for AI. Copilot+ PCs are the fastest, most intelligent Windows PCs ever built. With powerful new silicon capable of an incredible 40+ TOPS (trillion operations per second), all-day battery life and access to the most advanced AI models, Copilot+ PCs will enable you to do things you can't on any other PC.

### Immersive Technology

The Immersive Technology Market size was valued at USD 33.2 billion in 2023 and is estimated to register a CAGR of over 24.5% between 2024 and 2032, owing to the diverse application scope of immersive technologies across various industries.

Immersive technologies find applications across various industries, including gaming, entertainment, healthcare, education, manufacturing, retail, and real estate. The versatility of these technologies allows for innovative solutions in training, simulation, visualisation, marketing, design, and customer engagement. As more industries recognise the potential benefits of immersive technologies, demand continues to grow.

Continuous advancements in hardware components such as graphics processing units (GPUs), displays, sensors, and software frameworks have significantly improved the capabilities and performance of immersive technologies. This includes developments in rendering techniques, tracking technologies, and display resolutions, leading to more realistic and immersive experiences. In 2024, key immersive experience trends include the rise of virtual events, enhanced AR shopping experiences, and the integration of MR in education.

### AI in Immersive Tech

The integration of AI in AR & VR is expected to be transformative:

- Enhanced User Experience: AI is set to play a crucial role in improving the user experience within AR/VR environments. Intelligent algorithms can adapt and personalise immersive experiences, offering users more engaging and tailored interactions.
- Advanced Object Recognition: AI can significantly enhance object recognition capabilities in AR applications, making it easier for these systems to identify and interact with real-world objects seamlessly.

### Internet of Things

The global IoT market size was valued at USD 595.73 billion in 2023 and is projected to grow from USD 714.48 billion in 2024 to USD 4,062.34 billion by 2032, exhibiting a CAGR of 24.3% during the forecast period (2024-2032).

The IoT refers to the network of physical objects that are inserted with software, sensors, and other mechanisms for exchanging and connecting data with other systems and devices over the Internet. The IoT technology operates as a global infrastructure for the information society, empowering modernised services to connect and communicate things based on prevailing and evolving communication mechanisms. Also, it delivers interoperable data and the capability to communicate self-sufficiently without human intervention.

With rising population and urbanisation, several countries globally are introducing smart city projects and implementing smart city solutions to accomplish resources. Connected devices, such as sensors, smart meters, and smart lights, help advance the functions and proficiency of set-up and related services. The rising number of smart homes and buildings, Industry 4.0, smart manufacturing, and smart infrastructure developments are projected to generate a vast transformation in business areas, thereby driving the internet of things market growth.

Moreover, smart city solutions, such as smart utility meters, smart transportation, smart waste management, smart grids, and smart air quality controllers, are being implemented by consumers, thereby elevating the market potential of connected devices worldwide.

### AI in Internet of Things

As AI technologies continue to advance, they are expected to play a crucial role in the development of more sophisticated IoT applications. For example:

- Generative AI can be implemented in IoT solutions to enhance projecting maintenance. IoT sensors can collect massive amounts of data regarding machine health and performance that can be used to train generative AI models to generate synthetic data for upkeep predictive analysis.

- AI algorithms can process and analyse vast amounts of data generated by IoT devices, extracting actionable insights and enabling more intelligent decision-making.
- AI-driven automation can be used to improve the efficiency of IoT systems.
- AI can predict and identify potential issues in IoT devices before they become critical, optimising maintenance schedules and reducing downtime.

Such applications of AI, along with IoT, can be used across different industries, such as manufacturing, automotive, healthcare, and others.

### Cybersecurity

The global cyber security market size was valued at USD 172.32 billion in 2023 and is projected to reach USD 424.97 billion in 2030, exhibiting a 13.8% CAGR during the forecast 2023-2030.

The growth of the cyber security market is being driven by a number of factors, including the increasing number of cyber-attacks, the growing adoption of cloud computing, and the increasing use of IoT devices. Cyber-attacks are becoming more sophisticated and targeted, and they are causing significant financial and reputational damage to organisations. The key cyber security players are implementing core technologies such as machine learning, the IoT, cloud, and Big Data in their business security units. They are further adopting IoT and machine learning signature-less security system. This adoption would help the players understand uncertain activities and trials and identify & detect uncertain threats.

With the rising growth in the IoT market, IoT solutions are gaining popularity across various information security applications. Consequently, adopting advanced technologies in internet security is considered a rapidly emerging market trend. Moreover, Big Data and cloud technology support enterprises in learning and exploring potential risks.

Another trend that aids the cyber security industry growth is the increased adoption of cloud computing. Players in the market, including Cisco Systems, IBM Corporation, and others, focus on developing advanced cyber security solutions based on. The rising number of e-commerce platforms and technological advancements, such as AI, cloud, and block chain, have augmented internet security solutions in a connected network infrastructure. Additionally, e-commerce companies are focused on adopting network security solutions in their IT and electronic security systems.

### AI in Cyber Security

As cyber threats become increasingly sophisticated, AI is playing a critical role in bolstering cybersecurity defences. AI-powered systems can analyse network traffic, detect anomalies, and identify potential threats in real-time, providing proactive protection against cyberattacks.

The growth of the AI market is also expected to have a significant impact on the Cyber Security market. As AI technologies continue to advance, they are expected to play a crucial role in the development of more sophisticated cyber security systems. For example:

- AI-powered machine learning can be used to detect and respond to cyber threats
- AI-driven automation can be used to improve the efficiency of cyber security systems

### Conclusion

The benefit of investing in companies in these four key sectors at a seed stage are that:

Sure Valley Ventures can invest in these companies at attractive valuations of between £2 to £8m and get up to 20% of the company for initial investment amounts of between £0.75m to £1.25m.

- The investment sectors (AI, AR/VR, IoT, and Cybersecurity) have massive growth potential ahead of them which creates a tailwind behind the companies that are creating these new markets.
- These sectors are also ones that have the potential of creating the next big European Companies and build on Europe's existing technology strengths.
- These companies have the potential to get to exponential growth and of achieving an IPO or being acquired by one of the Silicon Valley giants who are all investing in these sectors.
- The Sure Valley Ventures Platform and Network can help fast-track the development of these companies across the chasm to the Series A investment round, which in turn increases the potential for an outsized return and also reduces the risk of the failure of a portfolio company.

In summary, Sure Ventures plc can gain exposure to all these benefit through its participation in the Sure Valley Ventures' Funds.

## PORTFOLIO BREAKDOWN

On 6 February 2018, the Company entered into a €4.5m commitment to Sure Valley Ventures (“Fund I”), the sole Sub-Fund of Suir Valley Funds ICAV and its investment was equalised into Fund I at that date. On 31 August 2019, a further €2.5m was committed to Fund I, taking the total investment in Sure Valley Ventures to €7m. The first drawdown was made on 5 March 2018 and as at 31 March 2024, a total of €6,756,616 had been drawn down against this commitment.

On 26 April 2019, the Company made a direct investment of £500,000 into VividQ Limited, a deep tech start-up with world leading expertise in 3D holography. VividQ Limited completed an additional funding round in May 2021 which saw the valuation of this investment rise to £794k, representing a 59% unrealised gain. In January 2024, VividQ raised a significant round of investment at a 60% discount to the previous round, which resulted in the position being revalued to £315k. The decision was made to exit this holding to the Sure Valley Ventures Fund, to reduce the direct exposure of this portfolio company to Sure Ventures plc. This sale was done at the price of the latest round, resulting in a realised loss on the total investment of £185k.

Sure Ventures plc also holds a direct investment in a UK-based immersive entertainment group; Let’s Explore Group Inc (formerly Immotion Group PLC), as announced on 24 April 2018. In May 2023, Let’s Explore announced it had entered into a conditional sale and purchase agreement, for the sale of its Location Based Entertainment business (collectively; Immotion Studios Limited, Immotion VR Limited and C.2K Entertainment Inc.), to LBE BidCo, Inc. for an enterprise value of USD 25,211,739 on a cash free/debt free basis. Further to this news, a tender offer for 65% of shares held was made by the acquirer at 4.75p a share, which the AIFM team took up. In addition to this, due to the unknown nature of the acquirer, the decision was made to sell down the remaining 35% of the holding, as liquidity in the share permitted. As at 31 March 2024, Sure Ventures plc has sold materially all of its holding in this listed entity, with only a small residual position remaining.

On 25 February 2022, Sure Ventures plc committed to invest £5m into the second fund of Sure Valley Ventures (“Fund II”). Fund II completed an £85m first close of a £95m UK software technology fund, which aims to increase the supply of equity capital to high-potential, early-stage UK companies. The first drawdown was made on 23 February 2022 and as at 31 March 2024, a total of £526,971 had been drawn down against this commitment.

As detailed in the Statement of Financial Position included in the following financial statements, these two Sure Valley Ventures Fund investments alongside the residual listed holding, represent the entire portfolio of Sure Ventures plc as at 31 March 2024.

On 5 May 2023, the Company announced a placing of 200,000 ordinary shares, followed by a further placing of 205,128 ordinary shares, announced on 21 August 2023. The ordinary shares were admitted to trading on the Specialist Fund Segment of the London Stock Exchange on 12 May 2023 and 25 August 2023 respectively, under the existing ISIN: GB00BYWYZ460, taking the total shares in admission as at 31 March 2024 to 7,051,600.

## SUIR VALLEY FUNDS ICAV

Suir Valley Funds ICAV (the “ICAV”) is a closed-ended Irish Collective Asset-management Vehicle with segregated liability between sub-funds incorporated in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 and constituted as an umbrella fund insofar as the share capital of the ICAV is divided into different series with each series representing a portfolio of assets comprising a separate sub-fund.

The ICAV was registered on 18 October 2016 and authorised by the Central Bank of Ireland as a qualifying investor alternative investment fund (“QIAIF”) on 10 January 2017. The initial sub-fund of the ICAV is Sure Valley Ventures, or Fund I, which had an initial closing date of 1 March 2017. Fund I invests in a broad range of software companies with a focus on companies in the AR/VR, AI and IoT sectors.

As at 31 March 2024, Fund I had commitments totaling €27m and had made seventeen direct investments into companies spanning the AR/VR, AI and IoT sectors. One of these investments was sold in 2019, giving Fund I its first realised gain on exit of around 5x return on investment. On 12 March 2018, Immersive VR Education Limited, Fund I’s first investment, completed a flotation on the London Stock Exchange (AIM) and the Dublin Stock Exchange (ESM). The public company is now called ENGAGE XR Holdings plc – ticker EXR (Formally VR Education Holdings plc – VRE). EXR was the first software company to list on the ESM since that market’s inception. In July 2020, following an improvement in share price, Fund I decided to sell sufficient shares to recover its initial investment. This resulted in a realised gain of €73k being payable to Sure Ventures plc, along with its share of the initial investment, and some Escrow funds from the aforementioned exit. The final Escrow payment from the sale was settled in July 2021, seeing another €151k flowing to Sure Ventures plc. Total distributions from Fund I to Sure Ventures plc as at 31 March 2024 was €1,759,630.

## SURE VALLEY VENTURES ENTERPRISE CAPITAL FUND

Sure Valley Ventures Enterprise Capital Fund is a closed-ended UK based GP/LP Fund which completed its first close on 1 March 2022. The total commitments for this first close were £85m, with potential for a further £10m to be raised in a secondary close. The British Business Bank are the cornerstone investor of this Fund, committing £50m of the initial £85m, with Sure Ventures plc committing a total of £5m.

Fund II has a similar investment strategy to the first Fund, being a seed capital investor in high growth software companies that are focused on bringing a disruptive innovation to market. It plans to invest into 25 software companies from across the UK through its new fund. As well as being based in London, Dublin, and Cambridge, the Sure Valley team has recently opened an office in Manchester to help access deals in the significant and exciting innovation clusters that have developed around creative technologies in the North of England and in the Metaverse and AI opportunities in cities such as Manchester, Leeds, Sheffield and Newcastle.

As at 31 March 2024, the Fund had drawn down a total of £8.92m and has made its first three investments into a Belfast based company called Retinize, for an amount of £1m in March 2022; a London based company called Jaid (t/a Opsmatix Limited) for £1m in November 2022 plus a further £988k in follow on investments; and finally a London based company called Captur, which the Fund invested £1.5m in September 2023. The total invested capital to date for Sure Ventures plc was £526,971.

## PERFORMANCE

In the year to 31 March 2024, the Company returned a Net Asset Value (“NAV”) of £0.83/unit, representing a 31.1% decline from the audited March 2024 NAV of £1.20p. The NAV decline is largely a result of the Fund I performance struggling in a tough market environment which has seen one additional investment write off and one funding down round. The lack of new funding rounds and additional exit opportunities have resulted in less unrealised gains than in prior years and so this has negatively impacted the Fund’s NAV. The investment in Sure Valley Venture Enterprise Capital Fund has returned a NAV of £0.57. This performance is considered in line with expectation as the Fund continues to build out the portfolio and would be unlikely to see any immediate gains given the infancy of the Fund. Regarding the only other investments, Let’s Explore Group plc which has been acquired and renamed Huddled Group plc, this closed the period at 2.35p, down from 3.6p at the year end; indicative of a tough few months in the public markets and wider economy. However, as mentioned above, Sure Ventures plc has materially exited this position at higher levels than the current share price. Given the lack of revenue to support the ongoing operational costs of the plc, the unrealised gains in the two Sure Valley Funds are key to maintaining a steady NAV, until the point that we see more exits to create realised gains, which we hope to see in the near future.

## FUTURE INVESTMENT OUTLOOK

Fund I has achieved one very positive realised gain, recovered its full investment in its listed portfolio company, as well as seeing number a of unrealised gains across the portfolio. The portfolio of current investments is continuing to mature, with most companies having now completed series A funding rounds, which provided the previous NAV growth that was set out to achieve from inception. The focus now shifts towards finding exit opportunities as we look to realise some further gains across the portfolio. As the investment period of this Fund has now closed, there are no more new investments to be made, with all remaining capital being allocated to follow-on funding of existing investments, as these companies continue to grow and provide the Fund with opportunities to exit.

In addition to this, having more exposure to the UK market for early-stage high growth software companies through the commitment into the Sure Valley Ventures Enterprise Capital Fund will yield exciting opportunities as the Fund continues to deploy capital across the landscape with a view to generating significant returns for investors throughout its lifecycle.

We remain confident in the future outlook of the Company for the following financial year, particularly with the exciting pipeline of deals that can be seen from the new Enterprise Capital Fund and the increasing maturity of the first Sure Valley Ventures Fund portfolio. Whilst the Funds provide great exposure to a wealth of expertise and a larger suite of portfolio companies, we also reserve the right to make further direct investments provided there is sufficient working capital to do so.

## Shard Capital AIFM LLP

Investment Manager

June 2024

# 4 Strategic Report

# Business Review

The strategic report on pages 13 to 19 has been prepared to help shareholders assess how the Company operates and how it has performed. The strategic report has been prepared in accordance with the requirements of Section 414 A-D of the Companies Act 2006 (the "Act") and best practice. The business review section of the strategic report discloses the Company's risks and uncertainties as identified by the board, the key performance indicators used by the board to measure the Company's performance, the strategies used to implement the Company's objectives, the Company's environmental, social and ethical policy and the Company's future developments.

## PRINCIPAL ACTIVITY

The Company carries on business as an investment trust and its principal activity is to invest in companies in accordance with the Company's investment policy with a view to achieving its investment objective.

## INVESTMENT POLICY

The Company's Investment Policy can be found at page 71 of this Annual Report.

## FUTURE DEVELOPMENTS

While the future performance of the Company is dependent, to a large degree, on the performance of Sure Valley Ventures (the "Fund") which, in turn, is subject to many external factors, the board's intention is that the Company will continue to pursue its stated investment objective as outlined on page 2. The Company's future developments and outlook are discussed in more detail in the Chairman's Statement on pages 3 to 6 and the Investment Manager's Report on pages 7 to 12.

## PREMIUM/DISCOUNT MANAGEMENT

The board closely monitors the premium or discount at which the Company's ordinary shares trade in relation to the Company's underlying net asset value and takes action accordingly. Throughout the period under review the Company's ordinary shares traded at discount to its underlying net asset value. The board is of the view that an increase of the Company's ordinary shares in issue provides benefits to shareholders, including a reduction in the Company's administrative expenses on a per share basis and increased liquidity in the Company's shares.

Whilst the board believes that it is in the shareholders' best interests to prevent the Company's shares trading at a discount to net asset value as shareholders will be unable to realise the full value of their investments, the current trend is for listed investment trusts to trade at a discount to net asset value. Notwithstanding this current discount to net asset value, the Company may from time to time acquire its own shares, should there be sufficient liquidity to do so.

## CORPORATE AND OPERATIONAL STRUCTURE

### Operational and portfolio management

The Company has outsourced its operations and portfolio management to various service providers as detailed below:

- Shard Capital AIFM LLP is appointed as the Company's manager (the "Manager" or "Investment Manager") and Alternative Investment Fund Manager ("AIFM") for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD");
- Apex Fund Services (Ireland) Limited is appointed to act as the Company's administrator;
- Apex Secretaries LLP is appointed as the Company's secretary.
- INDOS Financial Limited is appointed as the Company's depositary;
- Computershare Investor Services plc is appointed as the Company's registrar;
- Shard Capital Partners LLP is appointed to act as the Company's placing agent; and
- PKF Littlejohn LLP is appointed to act as the Company's independent auditor.



### **Alternative Investment Fund Managers Directive**

In accordance with the AIFMD, the Company has appointed Shard Capital AIFM LLP to act as the Company's AIFM for the purposes of the AIFMD. The AIFM ensures that the Company's assets are valued appropriately in accordance with the relevant regulations and guidance. In addition, the Company has appointed INDOS Financial Limited as depositary, to provide depositary services to the Company as required by the AIFMD.

### **Donations**

The Company made no political or charitable donations during the year under review to organisations either within or outside the EU (2023: none).

### **Environment, human rights, employee, social and community issues**

The Company is required by law to provide details of environmental matters (including impact of the Company's business on the environment), employee, human rights, social and community issues (including information about any policies it has in relation to these matters and the effectiveness of those policies). The Company does not have any employees and the board comprises non-executive directors. As an investment trust, its activities do not have a direct impact on the environment. The Company aims to minimise any detrimental effect that its actions may have by adhering to applicable social legislation, and as a result does not maintain specific policies in relation to these matters.

The Company has no operations and therefore no greenhouse gas emissions to report nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, including those within its underlying investment portfolio. However, the Company believes that high standards of corporate social responsibility such as the recycling of paper waste will support its strategy and make good business sense.

In carrying out its investment activities and in relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

### **Modern slavery**

Due to the nature of the Company's business, the board does not consider the Company to be directly within the scope of modern slavery regulations. The board considers the Company's supply chains, being with professional service providers within the UK or the EU to be low risk in relation to this matter.

### **Anti-bribery and corruption**

It is the Company's policy to conduct its business in an ethical manner. The Company takes a zero tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in its business dealings.

# Principal Risks and Uncertainties

The board has carried out a robust assessment of its risks and controls as detailed below. The day-to-day risk management functions of the Company have been delegated to Shard Capital AIFM LLP (the “Manager”), which reports to the board.

## OPERATIONAL RISKS

### Third party service providers

The Company has no employees and the directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third-party service providers for its executive function. In particular, the Manager, Depositary, Administrator and Registrar amongst others, will be performing services which are integral to the day-to-day operation, including IT, of the Company.

The termination of service provision by any service provider, or failure by any service provider to carry out its obligations to the Company, or to carry out its obligations to the Company in accordance with the terms of its appointment, could have a material adverse effect on the Company’s operations and its ability to meet its investment objective.

#### Mitigation

Day-to-day oversight of third-party service providers is exercised by the Manager and reported to the board on a quarterly basis. As appropriate to the function being undertaken, each of the service providers is subject to regular performance and compliance monitoring. The performance of the Manager in its duties to the Company is subject to ongoing review by the board on a quarterly basis as well as formal annual review by the Company’s management engagement committee.

The appointment of each service provider is governed by agreements which contain the ability to terminate each of these counterparties with limited notice should they continually or materially breach any of their obligations to the Company.

### Reliance on key individuals

The Company will rely on key individuals at the Manager to identify and select investment opportunities and to manage the day-to-day affairs of the Company. There can be no assurance as to the continued service of these key individuals at the Manager. The departure of key individuals from the Manager without adequate replacement may have a material adverse effect on the Company’s business prospects and results of operations. Accordingly, the ability of the Company to achieve its investment objective depends heavily on the experience of the Manager’s team, and more generally on the ability of the Manager to attract and retain suitable staff.

#### Mitigation

The interests of the Manager are closely aligned with the performance of the Company through the management and performance fee structures in place and direct investment by certain key individuals of the Manager. Furthermore, investment decisions are made by a team of professionals, mitigating the impact loss of any single key professional within the Manager’s organisation. The performance of the Manager in its duties to the Company is subject to ongoing review by the board as well as formal annual review by the management engagement committee.

### Fluctuations in the market price of issue shares

The market price of the issued shares may fluctuate widely in response to different factors and there can be no assurance that the issued shares will be repurchased by the Company even if they trade materially below their net asset value. Similarly, the shares may trade at a premium to net asset value whereby the shares can trade on the open market at a price that is higher than the value of the underlying assets. There can be no assurance, express or implied, that shareholders will receive back the amount of their investment in the issued shares.

### Mitigation

The Manager and the board closely monitor the level of discount or premium at which the shares trade on the open market. Subject to shareholders' approval, and compliance with the relevant companies legislation, the Company may purchase the shares in the market with the intention of enhancing the net asset value per ordinary share, however there can be no assurance that any purchases will take place or that any purchases will have the effect of narrowing any discount to net asset value at which the ordinary shares may trade. When the shares trade at a premium the Company may issue shares to reduce the premium at which shares trade. As at 31 March 2024, the shares were trading at a discount to net asset value.

## INVESTMENTS

### Achievement of the investment objective

There can be no assurance that the Manager will continue to be successful in implementing the Company's investment objective.

### Mitigation

The Company's investment decisions are delegated to the Manager. Performance of the Company against its investment objectives is closely monitored on an ongoing basis by the Manager and the board and is reviewed in detail at each board meeting. Any action required to mitigate underperformance is taken as deemed appropriate by the Manager.

### Borrowing

The Company may use borrowings in connection with its investment activities including, where the Manager believes that it is in the interests of shareholders to do so, for the purposes of seeking to enhance investment returns. Such borrowings may subject the Company to interest rate risk and additional losses if the value of its investments falls. Whilst the use of borrowings should enhance the net asset value of the issued shares when the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the Company's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the Company's return and accordingly will have an adverse effect on the Company's ability to pay dividends to shareholders.

### Mitigation

The Manager and the board closely monitor the level of gearing of the Company. The Company has a maximum limitation on borrowings of 20% of net asset value (calculated at the time of borrowing) which the Manager may affect at its discretion. During the year ended 31 March 2019, the Company entered into a loan facility agreement of £1,000,000 with Shard Merchant Capital Limited. In both the years ended 31 March 2024 and 2023, the Company drew down £200,000 each year totalling £400,000 of a drawdown on this loan facility agreement (see note 11 for further details).

### Liquidity of investments

The Company expects to have a material level of exposure to unquoted companies that are aligned with the Company's strategy and that present opportunities to enhance the Company's return on its investments. Such investments, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed and quoted securities and they may be more difficult to realise. The illiquidity of such investments may make it difficult for the Company to sell them if the need arises and may result in the Company realising significantly less than the value at which it had previously recorded such investments. Investments in unlisted equity securities, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed securities and therefore may be more difficult to realise.

### Mitigation

The Company has established investment restrictions on the extent to which it can invest up to 15% of net asset value in a single investment. However, this restriction does not apply to investments in the Fund or any further Funds or collective investment vehicles managed by third parties. Compliance with these restrictions is monitored by the Manager and by the board on an ongoing basis.

## REGULATIONS

### Tax

Any changes in the Company's tax status or in taxation legislation could affect the value of investments held by the Company, affect the Company's ability to provide returns to shareholders and affect the tax treatment for shareholders of their investments in the Company.

### Mitigation

The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010. Both the board and the Manager are aware of the requirements which are to be fulfilled in any accounting period for the Company to maintain its investment trust status. Adherence to the conditions required to satisfy the investment trust criteria are monitored by the compliance function of the Manager and reviewed by the board on a regular basis.

### Breach of applicable legislative obligations

The Company and its third-party service providers are subject to various legislation and regulations, including, but not limited to The Data Protection Act 2018 and the General Data Protection Regulation. Any breach of applicable legislative obligations could have a negative impact on the Company and impact returns to shareholders.

### Mitigation

The Company engages only with third party service providers which hold the appropriate regulatory approvals for the function they are to perform, and can demonstrate that they can adhere to the regulatory standards required of them. Each appointment is governed by agreements which contain the ability to terminate each of these counterparties with limited notice should they continually or materially breach any of their legislative obligations, or their obligations to the Company more broadly. Additionally, each of the counterparties is subject to regular performance and compliance monitoring by the Manager, as appropriate to their function, to ensure that they are acting in accordance with applicable regulations and are aware of any upcoming regulatory changes which may affect the Company. Performance of third party service providers is reported to the board on a quarterly basis, whilst the performance of the Manager in its duties to the Company is subject to ongoing review by the board on a quarterly basis as well as formal annual review by the management engagement committee.

## KEY PERFORMANCE INDICATORS

The board monitors success in implementing the Company's strategy against a range of key performance indicators ("KPIs"), which are viewed as significant measures of success over the longer term. Although performance relative to the KPIs is also monitored over shorter periods, it is success over the long-term that is viewed as more important, given the inherent volatility of short-term investment returns. The principal KPIs are set out below:

KPI	Performance	
	Year ended 31 March 2024	Year ended 31 March 2023
Movement in net asset value per ordinary share	Decreased by 31.12%	Decreased by 7.06%
Premium/discount (after deducting borrowings at fair value)	Traded at a discount of 10.94% at the year end	Traded at a discount of 20.71% at the year end
Movement in the share price	Decreased by 22.63%	Decreased by 6.86%

The Company does not currently follow any benchmark. Similarly, the Fund does not follow any benchmark. Accordingly, the portfolio of investments held by the Company and the Fund will not mirror the stocks and weightings that constitute any particular index or indices, which may lead to the Company's shares failing to follow either the direction or extent of any moves in the financial markets generally (which may or may not be to the advantage of shareholders).

# PROMOTING THE SUCCESS OF THE COMPANY

Under Section 172 of the Companies Act 2006, the board has a duty to promote the long-term success of the Company for the benefit of its shareholders as a whole and, in doing so, have regard to the likely consequences of its decisions in the long-term upon the Company's other stakeholders and the environment.

The Company's objective is to achieve capital growth for investors through exposure to early stage technology companies, with a focus on software-centric businesses in its chosen target markets.

The board believes that the values of integrity, accountability and transparency form the basis of the Company's corporate culture and promote good standards of governance.

The board has identified the Company's main stakeholders to be its shareholders, Investment Manager and other key service providers. The board seeks to understand the priorities of its stakeholders and engages with them through the communication and governance processes that it has put in place.

## Shareholders

The board believes that transparent communication with shareholders is important. In addition to the Annual Report and the half-yearly report, the Company publishes quarterly portfolio updates which are available on the Company's website together with other information that the board believes shareholders will find useful. The board welcomes feedback from shareholders and the Investment Manager provides such feedback to the board on a regular basis.

During the year, the Company issued 405,128 new ordinary shares in response to investor demand. The board believes that share issues are in the interests of shareholders as a whole as they provide additional finance for investment opportunities, enable the Company's fixed costs to be spread over a wider base and provide a source of liquidity in the Company's shares.

## Investment Manager

The Investment Manager has a fundamental role in promoting the long-term success of the Company. The board regularly reviews the performance of the investment portfolio at quarterly board meetings and performs a formal annual evaluation of the performance of the Investment Manager. This contact enables constructive regular dialogue between the Investment Manager and the board.

## Other key service providers

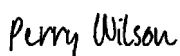
The board believes that strong relationships with its other key service providers (Company Secretary, Administrator, Depositary and Registrar) are also important for the long-term success of the Company. There is regular contact between the board and the Company's other key service providers. The board performs an annual review of the services provided by the Company Secretary, Administrator, Depositary and Registrar to ensure that these are in line with the Company's requirements.

## Environmental, Social and Governance ("ESG")

The board and the Investment Manager recognise the importance of the impact of the Company's decisions and ESG factors are integrated in the investment process.

## APPROVAL

The strategic report was approved by the board of directors on 23 July 2024 and signed on its behalf by:



**Perry Wilson**  
Chairman

# 5 Directors' Report

# Board of Directors

## PERRY WILSON

Chairman of the board and the management engagement committee and a member of the audit committee.

### **Perry Wilson (Chairman) (independent)**

Perry Wilson is a financial services professional with over 25 years' experience in investment banking and fund management, responsible for running portfolio risk positions in global markets. He started his career in accountancy before joining the asset trading group at Lazard in 1987, focusing on illiquid credit and structured products and going on to become a director of the bank.

In 2003, Mr. Wilson joined Argo Capital as executive director, an AIM listed alternative investment fund management firm and was part of a small team of portfolio managers that oversaw the group's fiftyfold AUM growth to USD 1.3bn at its height. After leaving Argo in 2010, Mr. Wilson joined Integra Capital to implement a liquid credit strategy before setting up a fixed income sales and trading operation for a Central Asian investment bank, Visor Capital in 2013.

Since 2015, Mr. Wilson has been on the board of a number of UK and offshore financial services firms and investment funds, as independent non-executive director, and also acted as chair of trustees for a UK pension plan, providing corporate governance and oversight utilising his extensive financial markets background and experience.

## ST. JOHN AGNEW

### **St. John Agnew**

St. John trained as a solicitor and was an in-house Commercial and Banking Counsel for TSB Bank. His responsibilities included drafting and negotiating legal documentation in relation to all bank lending and commercial arrangements. This included many types of commercial contracts and involved a close working relationship with the technology team who required advice on a steady flow of technology contracts.

St. John became an Investment Manager in 2000 and set up a fund in the Cayman Islands in 2004 based on Technical Analysis which he successfully operated and closed in late 2007. St. John continues to advise on investment and is currently an Investment Manager registered with Credo Capital with his own private clients.

St. John has also served as Trustee on a Pension fund for a Charity and, using his legal and investment knowledge, he helped to restructure the board to allow it to recognise and meet its extensive ongoing Pension obligations. He is also currently a non-executive director of a food company, The Big Prawn Company, where he uses his knowledge and experience to help guide this company.

## GARETH BURCHELL

### **Gareth Burchell**

Gareth Burchell began his career in the insurance industry and spent three years at RBS Insurance prior to beginning his career in investment advice and management. Mr. Burchell is currently Head of Shard Capital Stockbrokers and chairs an investment committee that specialises in providing funding for both listed and unlisted small companies. Mr. Burchell has had a focus on the small cap arena for 15 years and he and his team have provided £100m+ of funding to 300+ companies. He has an in-depth knowledge of the UK listing process of various small cap exchanges.

# Statutory Information

## BOARD MEMBERS, AND DIRECTORS' AND OFFICERS' INSURANCE

The names and biographical details of the board members who served on the board as at the year end can be found on page 21.

During the year under review, the Company's directors' and officers' liability insurance for its directors and officers as permitted by section 233 of the Companies Act 2006 was covered and maintained by the Manager.

## STATUS OF THE COMPANY

The Company is an investment company within the meaning of section 833 of the Companies Act 2006.

The Company operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. The Company has obtained its initial approval as an investment trust from HM Revenue & Customs. In the opinion of the directors, the Company has conducted its affairs since its initial approval as an investment trust in order that it is able to maintain its status as an investment trust.

The Company is an externally managed closed-ended investment company with an unlimited life and has no employees.

## INTERNAL CONTROLS AND RISK MANAGEMENT

Details of the Company's principal risks and uncertainties can be found in the strategic report on pages 13 to 19 inclusive of details of the Company's internal controls. Details of the Company's application of hedging arrangements, if any, are set out on page 73 of the investment policy section of these financial statements.

## SHARE CAPITAL – VOTING AND DIVIDEND

As at 31 March 2024, the Company had 7,051,600 (2023: 6,646,472) ordinary shares in issue. There are no other classes of shares in issue and no shares are held in treasury.

The maximum number of shares which can be admitted to trading on the London Stock Exchange ("LSE") without the publication of a prospectus is 20% of the ordinary shares in issue on a rolling 12 month basis at the time of admission of the shares.

During the year under review a total of 405,128 (2023: 633,247) ordinary shares were issued as detailed below:

Date	Shares issued	Price paid per share (pence, sterling)	Discount to NAV (%) <sup>(1)</sup>
May 2023	200,000	100.0	16.9%
Sep 2023	205,128	97.5	18.6%

(1) Last published NAV at time of issue.

As at 31 March 2024, there were 7,051,600 ordinary shares of 1p in issue. Since the year end, a further 275,862 ordinary shares have been issued.

The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no shares which carry specific rights with regard to the control of the Company. The shares are freely transferable. There are no restrictions or agreements between shareholders on the voting rights of any of the ordinary shares or the transfer of shares.



The Company has been incorporated with an unlimited life.

On a winding-up or a return of capital by the Company, the ordinary shareholders are entitled to the capital of the Company.

No final dividend is being recommended. The Company's policy is to pay dividends, if any, on an annual basis, as set out in the Company's prospectus dated 17 November 2017 and the supplementary prospectus dated 2 January 2018 (the "Prospectus"). There were no dividends paid in respect of the year ended 31 March 2024 (2023 – None).

The Company will pay out such dividends as are required for it to maintain its investment trust status.

## SUBSTANTIAL SHARE INTERESTS

The Company has received the following notification in accordance with the Disclosure and Transparency Rule 5.1.2R of an interest in the voting rights attaching to the Company's issued share capital.

As at 31 March 2024, Pires Investments plc had holds 1,500,000 ordinary shares in the Company, representing 21.27 % of the Company's ordinary shares in issue at 31 March 2024.

## INDEPENDENT AUDITOR

The Company's independent auditor, PKF Littlejohn LLP ("PKF"), was appointed by the members on 16 April 2018 and has expressed its willingness to continue to act as the Company's independent auditor for the forthcoming financial year. The audit committee has carefully considered the independent auditor's appointment, as required in accordance with its terms of reference, and, having regard to its effectiveness and the services it has provided to the Company during the year under review, has recommended to the board that the independent auditor be appointed at the forthcoming Annual General Meeting ("AGM"). At the AGM resolutions will be proposed for the appointment of the independent auditor and to authorise the directors to agree its remuneration for the forthcoming financial year. In reaching its decision, the audit committee considered the points detailed on pages 33 to 35 of the audit committee's report.

## AUDIT INFORMATION

As required by section 418 of the Companies Act 2006, the directors who held office at the date of this report each confirm that, so far as they are aware, there is no relevant audit information of which the Company's independent auditor is unaware and each director has taken all the steps required of a director to make themselves aware of any relevant audit information and to establish that the Company's independent auditor is aware of that information.

## ARTICLES OF ASSOCIATION

Any amendments to the Company's articles of association must be made by special resolution.

## GOING CONCERN

The directors have reviewed the financial projections of the Company from the date of this report, which shows that the Company will be able to generate sufficient cash flows in order to meet its liabilities as they fall due. Accordingly, the directors are satisfied that the going concern basis remains appropriate for the preparation of the financial statements. The Company also has detailed policies and processes for managing the risks, set out in the investment policy on pages 71 to 73.

## VIABILITY STATEMENT

In accordance with the revised Association of Investment Companies Code of Corporate Governance published in February 2019 and revised UK Corporate Governance Code, published by the Financial Reporting Council in July 2018, the directors have assessed the prospects of the Company over a three-year period ending 31 March 2027. The board believes this period to be appropriate taking into account the current trading position and the potential impact of the principal risks that could affect the viability of the Company. As at 31 March 2024, the Company's cash less liabilities amounted to (£420,344) which may pose a potential risk to the viability of the Company.

Analysis to assess viability has focused on the risks in delivery of the growth of the business and a series of projections have been considered changing funding levels and the performance of the assets acquired.

The analysis demonstrates that, the Company would be able to withstand the impact of the risks identified. Based on the robust assessment of the principal risks, prospects and viability of the Company, the board confirms that they have reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending 31 March 2027.

## MANAGEMENT AND ADMINISTRATION

### Company Secretary

Apex Secretaries LLP (the "Company Secretary") is the company secretary of the Company.

### Administrator

Apex Fund Services (Ireland) Limited (the "Administrator"), is the administrator of the Company. The Administrator provides the day-to-day administration of the Company. The Administrator is also responsible for the Company's general administrative functions, such as the calculation of the NAV and maintenance of the Company's accounting records.

Under the terms of the administration agreement, the Administrator is entitled to an annual administration fee equal to the greater of: (i) €28,000 per annum; and (ii) an amount equal to 0.08% of the portion of NAV up to and including €100 million, 0.06% of the portion of NAV between €100 million and €200 million and 0.05% of the portion of NAV above €200 million (exclusive of VAT and out-of-pocket expenses). The Administrator is also entitled to reimbursement of all reasonable out-of-pocket expenses incurred by it in connection with the performance of its duties. The administration agreement can be terminated by either party by providing 90 days' written notice.

### Manager

Shard Capital AIFM LLP (the "Manager"), a UK-based company authorised and regulated by the Financial Conduct Authority, is the Company's manager and alternative investment fund manager (the "AIFM") for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD"). The Manager is responsible for the discretionary management of the Company's assets and ensures that these are valued appropriately in accordance with the relevant regulations and guidance.

Under the terms of the management agreement, the Manager is entitled to a management fee and a performance fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. From the period from first admission, the management fee payable was based on 1.25% of the NAV. The Manager is also entitled to receive a performance fee equal to 15% of any excess returns over a high watermark, subject to achieving a hurdle rate of 8% in respect of each performance period. Further details on the management fee and the performance fee can be found in note 4 to the financial statements. The management agreement can be terminated by either party providing 12 months' written notice.

### Depository

The Company's depository is INDOS Financial Limited (the "Depository"), a company authorised and regulated by the Financial Conduct Authority. Under the terms of the depository services agreement the Depository is entitled to a monthly depository fee equal to the greater of: (i) £2,000 and £2,917 per month (depending on the activity of the Company); and (ii) an amount equal to 1/12 of 0.03% of NAV (exclusive of VAT and out-of-pocket expenses). The depository services agreement can be terminated by either party by providing 90 days' written notice.

## CHANGE OF CONTROL

There are no agreements which the Company is party to that might be affected by a change of control of the Company.

## SUBSEQUENT EVENTS

Following the year end, the Company raised gross proceeds of £200,000 by way of a private placing. The 275,862 ordinary shares were issued at 72.5p per share, representing the closing mid-price on 10 June 2024. Total shares in admission of the Company then amounted to 7,327,462.

Following the year end, Sure Ventures PLC was informed that LandVault, a Sure Valley Ventures Fund 1 portfolio company, has been acquired by Infinite Reality Labs for \$450m. This acquisition is a share for share transaction, with the acquirer planning to list on the Nasdaq later this year. Sure Valley Ventures Fund 1 has a 7% holding in LandVault and so this has created a significant uplift in the valuation of this holding, which will be reflected in the next quarterly NAV.

## FUTURE DEVELOPMENTS

Indications of likely future developments in the business of the Company are set out in the strategic report on pages 13 to 19.

By order of the board

**Apex Secretaries LLP**

Company Secretary

Date: 23 July 2024

# Corporate Governance Statement

The corporate governance statement explains how the board has sought to protect shareholders' interests by protecting and enhancing shareholder value. The directors are ultimately responsible for the stewardship of the Company and this section explains how they have fulfilled their corporate governance responsibilities. This corporate governance statement forms part of the directors' report.

As set out in the Prospectus, the Company's Specialist Fund Segment securities are not admitted to the Official List of the UK Listing Authority. Therefore the Company has not been required to satisfy the eligibility criteria for admission to listing on the Official List and is not required to comply with the Financial Conduct Authority's Listing Rules. The board is committed to high standards of corporate governance and have adopted the UK Corporate Governance Code (the "UK Code") published by the Financial Reporting Council ("FRC"). The Disclosure Guidance and Transparency Rules ("DTR") require companies to disclose how they have applied the principles and provisions of the UK Code. A copy of the UK Code is available from the website of the FRC at:

<https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code>.

The Association of Investment Companies ("AIC") has published its own code on corporate governance (the "AIC Code"). The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code and the associated disclosure requirements of the DTR. The AIC Code is available from the AIC's website at [www.theaic.co.uk](http://www.theaic.co.uk).

The board has considered the principles and provisions of the AIC Code. The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional principles and provisions on issues that are of specific relevance to the Company.

The board considers that voluntarily reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.

## STATEMENT OF COMPLIANCE

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- The role of the chief executive;
- Executive directors' remuneration;
- The appointment of a senior independent director; and
- The need for an internal audit function.

The board considers these provisions are not relevant to the Company, being an externally managed investment company with no executive directors. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

In addition, the board does not, at present, consider that separate nomination and remuneration committees would be appropriate given the board's size, being three members in total. Currently, decisions concerning the board's remuneration, nomination and board appraisals are undertaken by the board as a whole. However, the need for separate nomination and remuneration committees and an internal audit function will be kept under review.

## THE BOARD OF DIRECTORS

The board consists of three directors, all of whom are non-executive directors. Biographies of the directors are shown on page 21 and demonstrate the wide range of skills and experience that they bring to the board. The directors possess business and financial expertise relevant to the direction of the Company and consider themselves to be committing sufficient time to the Company's affairs.

None of the directors have a service contract with the Company, nor are any such contracts proposed. Each director has been appointed pursuant to a letter of appointment entered into with the Company. The directors' appointment can be terminated in accordance with the articles of association and without compensation. There are no agreements between the Company and any director which provide for compensation for loss of office in the event that there is a change of control of the Company.

Copies of the letters of appointment will be available at the AGM.

The Chairman, Perry Wilson, is independent and considers himself to have sufficient time to commit to the Company's affairs. The Chairman's other commitments are detailed in his biography on page 21.

The directors have determined that the size of the Company's board does not warrant the appointment of a senior independent director at this time. All of the directors are available to address shareholder queries or engage in consultation as required.

## THE OPERATION OF THE BOARD

The board of directors meets at least four times a year and more often if required.

The table below sets out the directors' attendance at board and audit committee meetings held in the financial year ended 31 March 2024, against the number of meetings each board or audit committee member was eligible to attend.

Director	Board	Audit Committee	Management Engagement Committee
<b>Perry Wilson</b>	5/5	3/3	1/1
<b>Gareth Burchell</b>	5/5	-	-
<b>St. John Agnew</b>	5/5	3/3	1/1

No individuals other than the committee or board members are entitled to attend the relevant meetings unless they have been invited to attend by the board or relevant committee.

Directors are provided with a comprehensive set of papers for each board or committee meeting, which equips them with sufficient information to prepare for the meetings.

The board has a formal schedule of matters specifically reserved to it for decision to ensure effective control of strategic, financial, operational and compliance issues, which includes:

- The Company's structure including share issues and setting a discount/premium management programme;
- Risk management;
- Appointing the Manager and other service providers and setting their fees;
- Approving board changes including the audit committee and management engagement committee;
- Considering and authorising board conflicts of interest;
- Approving the Company's annual accounts and half yearly accounts including accounting policies;
- Approving the Company's level of gearing;
- The approval of terms of reference and membership of board committees; and
- Approving liability insurance.

There is a procedure in place for the directors to take independent professional advice at the expense of the Company. No such professional advice has been taken by the directors during the period under review.

The directors' and officers' liability insurance covered by the Manager shall be maintained for the full term of each director's appointment.

### **Division of Responsibilities**

The Chairman leads the board and is responsible for its overall effectiveness in directing the Company. He ensures that the directors' views are taken into consideration as part of the board's decision making process. The Chairman promotes a culture of openness and debate at the Company's board meetings and ensures that an appropriate amount of time is devoted to each matter on the agenda for the board's consideration. He ensures that the board receives accurate, timely and clear information in order for the directors to discharge their duties. The Chairman is also available to facilitate the board's relations with shareholders and the Company's other stakeholders.

The Company has established audit and management engagement committees which deal with matters determined by terms of reference issued by the board.

The board ensures that an appropriate amount of time is spent on board matters. The board receives papers ahead of board meetings, which are reviewed by the directors to enable them to participate effectively and efficiently at meetings. Other information is received by the board between meetings and input is provided by board members as required.

### **Independence of Directors**

Both Perry Wilson and St. John Agnew were considered, on appointment, to be independent of the Manager and free from any business or other relationship that could materially interfere with the exercise of his independent judgement and remained so throughout the financial year under review.

Gareth Burchell is a member of the Manager's investment committee and is therefore not considered to be independent. Mr. Burchell is also currently Head of Shard Capital Stockbrokers and chairs an investment committee that specialises in providing funding for both listed and unlisted small companies. The board believes that having Mr. Burchell on the board is beneficial to the board as it provides the board with added insight on the Company's investment portfolio. Mr. Burchell does not participate in discussions on, or vote on, matters where there would be a conflict or potential conflict of investment, including but not limited to, the evaluation of the Manager.

There are no other relationships or circumstances relating to the Company that are likely to affect the judgement of any of the directors.

### **Composition**

The board believes that during the year ended 31 March 2024, its composition was appropriate for an investment company of the Company's nature and size. Care will be taken at all times to ensure that the board is composed of members who, as a whole, have the required knowledge, abilities and experience to properly fulfil their role and are sufficiently independent.

### **Directors' interests**

No director holds shares in the Company.

### **Board evaluation**

The most recent board evaluation was completed in September 2022. The results of the evaluation were reviewed by the Chairman and discussed with the board. The conclusions from the board evaluation demonstrated that the directors showed the necessary commitment for effective fulfilment of their duties.

### **Board training and induction**

The Company Secretary, the board or the Manager upon request of the board or any director individually, will offer induction training to new directors about the Company, its key service providers, the directors' duties and obligations and other matters as may be relevant from time to time.

The board members are encouraged to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company.

### **Board appointment, election and tenure**

The rules concerning the appointment and replacement of directors are contained in the Company's articles of association and the Companies Act 2006.

The board takes into account the requirements of the AIC Code with regards to tenure. The board recognises the benefits to the Company of having longer serving directors together with progressive refreshment of the board. None of the directors consider length of service as an impediment to independence or good judgement but, if they felt that this had become the case, the relevant director would stand down. The Company was incorporated in June 2017, therefore no director has served for more than nine years. The board is currently developing a succession plan.

The directors of the Company and their biographies are set out on page 21. At the forthcoming AGM, in accordance with the AIC Code, all members of the board will put themselves forward for re-election.

The board considers that all of the current directors contribute effectively to the operation of the board and the strategy of the Company. The board has considered each board member's independence of the Company and the Manager. As such the board believes that it is in the best interests of shareholders that each of the directors be re-elected.

### **Basis of Directors' appointment**

Consideration is given to the recommendations of the AIC Code on diversity. The board seeks to appoint new directors on the basis of merit as a primary consideration, with the aim of bringing an appropriate range of skills, diversity and experience together.

### **Management agreement and continuing appointment**

Details of the Manager's agreement and fees are set out in note 4 to the financial statements.

The board keeps the performance of the Manager under continual review through the Company's management engagement committee. The most recent evaluation of the Manager was completed in September 2022, following which the board concluded that due to its specialist knowledge of the sectors in which the Company invests and the Company's performance to date, the continuing appointment of the Manager is in the best interests of shareholders as a whole.

## **CONFLICTS OF INTEREST**

The articles of association provide that the directors may authorise any actual or potential conflict of interest that a director may have, with or without imposing any conditions that they consider appropriate on the director. Directors are not able to vote in respect of any contract, arrangement or transaction in which they have a material interest, and, in such circumstances, they are not counted in the quorum at the relevant board meeting. A process has been developed to identify any of the directors' potential or actual conflicts of interest. This includes declaring any potential new conflicts before the start of each board meeting.

### **Audit Committee**

The board has delegated certain responsibilities to its audit committee. The committee comprises two or more independent directors. The Chairman of the board may be a member of the committee and due to the size of the board, the Chairman of the board, Perry Wilson acts as chairman of the audit committee. The board has established formal terms of reference for the audit committee which are available from the Company Secretary upon request. An outline of the remit of the audit committee and its activities during the year are set out below.

The audit committee is chaired by Perry Wilson and meets at least twice a year. It is responsible for ensuring that the financial performance of the Company is properly reported and monitored and provides a forum through which the Company's external auditor may report to the board. The audit committee reviews and recommends to the board the annual and half-yearly reports and financial statements, financial announcements, internal control systems, risk metrics, decisions requiring a significant element of judgement and procedures and accounting policies of the Company.

Further details on the work of the audit committee can be found in the report of the audit committee on pages 33 to 35.

## Management Engagement Committee

The Chairman of the Company acts as chairman of the management engagement committee. The management engagement committee meets once a year. Its principal duties are to formally review the actions and judgements of the Manager, the terms of its management agreement and to review the performance and services of the Company's other key service providers. The committee reports to the board on its proceedings after its meeting.

The most recent evaluation of the Manager and other key service providers was completed in September 2022.

The terms of reference of the committee are available from the Company Secretary.

## COMPANY SECRETARY

The board has direct access to the advice and services of the Company Secretary, which is responsible for ensuring that the board and committee procedures are followed, and that applicable rules and regulations are complied with. The Company Secretary is also responsible for ensuring good information flows between all parties.

## REVIEW OF SHAREHOLDER PROFILE

The board reviews reports provided by qualified independent industry consultants and Shard Capital Partners LLP on the Company's shareholder base and its underlying beneficial owners. The Manager and Shard Capital Partners LLP disclose any concerns raised by shareholders to the board.

## STEWARDSHIP RESPONSIBILITIES AND THE USE OF VOTING RIGHTS

The FRC introduced a Stewardship Code which sets out the responsibilities of institutional shareholders in respect of investee companies. Under the Stewardship Code, Managers should:

- Publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;
- Disclose their policy on managing conflicts of interest;
- Monitor their investee companies;
- Establish clear guidelines on how they escalate evaluation;
- Be willing to act collectively with other investors where appropriate;
- Have a clear policy on proxy voting and disclose their voting record; and
- Report to clients.

The Company recognises that with respect to its equity assets one of the important obligations that it has as a shareholder is the right to vote on issues submitted to shareholders. These issues may include the election of directors and other important matters that affect the structure of the investee company. The Manager acts on behalf of the Company in these matters and will exercise its voting rights, supported by independent providers, if considered appropriate.

## RELATIONS WITH SHAREHOLDERS

The notice of the AGM will be sent out separately in due course. The notice of the AGM, which is sent out at least 21 clear days in advance of the AGM, sets out the business of the meeting and any items not of an entirely routine nature is explained in the directors' report. Separate resolutions are proposed in respect of each substantive issue.

Any questions that shareholders wish to raise at the AGM can be emailed to [info@sureventuresplc.com](mailto:info@sureventuresplc.com) and the board and/or the Manager will respond as appropriate.

Proxy voting figures will be published on the Company's website following the AGM.

The Manager holds regular discussions with major shareholders, the feedback from which is provided to and greatly valued by the board. The directors are available to enter into dialogue and correspondence with shareholders regarding the progress and performance of the Company. Further information about the Company can be found on the Company's website <http://www.sureventuresplc.com>.



## INTERNAL CONTROL REVIEW

The board has elected not to have an internal audit function as the Company delegates its operations to third-party service providers and does not employ any staff. Instead it has been agreed that the Company will rely on the internal controls which exist within its third-party providers.

The Administrator, Depositary and Manager have established internal control frameworks to provide reasonable assurance on the effectiveness of the internal controls operated on behalf of their clients. The Manager, the Administrator, the Depositary and the Company Secretary will report on any breaches of law or regulation, if and when they arise, periodically in scheduled board reports. The audit committee considers annually whether there is any need for an internal audit function, and it has agreed that it is appropriate for the Company to rely on the internal audit controls which exist within its third-party providers.

The board keeps under review the effectiveness of the Administrator and the Manager's systems of internal control and risk management. During the year under review, the board has not identified any significant failings or weaknesses in the internal control systems of its service providers. Details of the Company's principal risks and uncertainties can be found on pages 16 to 18 of the strategic report, together with an explanation of the controls that have been established to mitigate each risk. The risk matrix provides a basis for the audit committee and the board to regularly monitor the effective operation of the controls and to update the matrix when new risks are identified.

The system of internal control and risk management is designed to meet the Company's particular needs and the risks to which it is exposed. The board recognises that these control systems can only be designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

## ALTERNATIVE INVESTMENT FUND MANAGEMENT DIRECTIVE DISCLOSURE

### Quantitative remuneration disclosure

In accordance with 3.3.5 (5) of the Financial Conduct Authority's Investment Funds Sourcebook ("FUND") and in accordance with the Financial Conduct Authority's Finalised guidance – General guidance on the AIFM Remuneration Code (SYSC 19B) (the "Guidelines"), dated January 2014, the total amount of remuneration paid by or paid to Shard Capital AIFM LLP (the "AIFM"), for the financial year ended 31 March 2024 in respect of the Company was £138,646 (2023: £149,907). The AIFM out of its own resources decided to pay rebates out of the management fee. For the financial year ended 31 March 2024, the Company incurred rebate income from the AIFM of £88,646 (2023: £99,907). There was no performance fee payable in respect of the years ended 31 March 2024 or 31 March 2023. The AIFM does not consider that any individual member of staff or partner of the AIFM has the ability to materially impact the risk profile of the Company.

### Other disclosures

The AIFMD requires that the AIFM ensures that certain other matters are actioned and or reported to investors. Each of these is set out below:

- Provision and content of an annual report (FUND 3.3.2 and 3.3.5). The publication of the annual report and accounts of the Company satisfies these requirements.
- Material change of information. The AIFMD requires certain information to be made available to investors in the Company before they invest and requires that material changes to this information be disclosed in the annual report.

### Periodic disclosure (FUND 3.2.5 and 3.2.6)

There are no assets subject to special arrangements due to their illiquid nature and no new arrangements for the managing of the liquidity of the Company.

There is no change to the arrangements, as set out in the Prospectus, for managing the Company's liquidity.

The current risk profile of the Company is set out in the strategic report, principal risks and uncertainties section on pages 16 to 18 and in note 17 of these financial statements.

The Company is permitted to be leveraged and the table below sets out the current maximum permitted and actual leverage.

As a percentage of net asset value	Gross method	Commitment method
Maximum level of leverage	150%	150%
Leverage as at 31 March 2024	107%	108%

### Other matters

The AIFM has confirmed that all required reporting to the FCA has been undertaken in accordance with FUND 3.4.

### Approval

This report was approved by the board of directors on 23 July 2024.

*Perry Wilson*

On behalf of the board

**Perry Wilson**

Chairman

# Report of the Audit Committee

As Chairman of the audit committee I am pleased to present the audit committee report for the year ended 31 March 2024.

## MEMBERSHIP OF THE AUDIT COMMITTEE

As the board is small with only three members, St. John Agnew and Perry Wilson are both appointed members of the audit committee. As chairman of the audit committee, I can confirm that I have relevant financial experience to fulfil my obligations in this capacity.

## THE ROLE OF THE AUDIT COMMITTEE

The role of the audit committee is defined in its terms of reference, which can be obtained from the Company Secretary.

In summary, the role of the audit committee includes the following:

- To monitor the financial reporting process;
- To review and monitor the integrity of the half-year and annual financial statements and review and challenge where necessary the accounting policies and judgements of the Manager and the Administrator;
- To review the adequacy and effectiveness of the Company's internal financial and internal control and risk management systems;
- To make recommendations to the board on the re-appointment or removal of the external independent auditor and to approve its remuneration and terms of engagement;
- To review and monitor the external independent auditor's independence and objectivity; and
- To review and consider on an annual basis the need for an internal audit function.

## Matters considered during the year

The audit committee has met 3 times during the year under review and considered the following items:

- The Company's audit plan with the external auditor;
- The policy on non-audit services; and
- The dividend policy.

The audit committee also reviewed the following items:

- Whether there was a requirement for an internal audit function;
- The Company's risk matrix and the internal controls implemented to manage those risks; and
- The appropriateness of the Company's accounting policies and whether appropriate estimates and judgements have been made.

## UK non-audit services

In relation to non-audit services, the audit committee has reviewed and implemented a policy on the engagement of the auditor to supply non-audit services and this is reviewed on an annual basis. All requests or applications for other services to be provided by the auditor are submitted to the audit committee and will include a description of the services to be rendered and an anticipated cost. The Company's policy follows the requirements of the Financial Reporting Council's Revised Ethical Standard 2019. The policy specifies a number of prohibited services which it is not permitted for the auditor to provide under the revised Ethical Standard.

For the year ended 31 March 2024, there were no non-audit services rendered to the Company and none for the year ended 31 March 2023.

The audit committee reviewed the level of non-audit services and were satisfied that the auditors maintained their independence.

## SIGNIFICANT ACCOUNTING MATTERS

The audit committee met on 23 July 2024 to review the report and accounts for the year to 31 March 2024. The audit committee considered the following significant issues, including principal risks and uncertainties in light of the Company's activities and issues communicated by the auditors during their review, all of which were satisfactorily addressed:

Issues considered	How the issue was addressed
<b>Retention of investment trust status</b>	The audit committee received assurance from the Company's Investment Manager that the Company has remained compliant with the requirements to maintain its investment trust status. The directors regularly review the investments and their mix to ensure they remain diversified, its retained income levels to ensure sufficient distributions are made and the Company's shareholdings to determine if the Company has become a close company.
<b>Risk of misappropriation of assets and ownership of investments</b>	The audit committee reviews reports from its service providers on key controls over the assets of the Company. Any significant issues are reported to the board by the Manager and/ or the Company's Depositary. The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets. The Company's Depositary issues a quarterly report on the status of the assets to the directors for review.
<b>The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income.</b>	The board regularly reviews income forecasts. The external audit includes checks on the completeness and accuracy of income and also checks that this has been recognised in accordance with stated accounting policies.
<b>The risk that valuation of the Investments held may not be correct.</b>	The audit committee receives assurance from the Company's Administrator and Manager that the Company's valuation policy is followed at all times.

### External independent auditor

The Company's external independent auditor, PKF Littlejohn LLP ("PKF"), was appointed pursuant to the engagement letter dated 18 March 2024. The audit committee intends to re-tender within the timeframe set by the Financial Reporting Council.

The individual at PKF who acts as the Company's appointed audit partner is Azhar Rana, whose appointment is reviewed annually. In accordance with UK legislation, the audit partner must rotate at least every five years. As this is Azhar Rana's second year as audit partner, he will be due to rotate out of this role following the completion of the audit for the year ended 31 March 2028.

The audit fees for the period under review can be found in note 5 to the financial statements on page 56.

The audit committee monitors the auditor's objectivity and independence on an ongoing basis. In determining PKF's independence, the audit committee has assessed all relationships with PKF and received confirmation from PKF that it is independent and that no issues of conflicts arose during the period. The audit committee is therefore satisfied that PKF is independent.

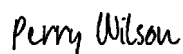
The audit committee monitors and reviews the effectiveness of the external audit process on an annual basis and makes recommendations to the board on its re-appointment, remuneration and terms of engagement of the auditor. The audit committee has met with the audit partner and assessed PKF's performance to date and to discuss the Company's audit and other matters concerning the Company. I can confirm that Azhar Rana did not raise any issues of concern during our meeting. The review has involved an examination of the independent auditor's remuneration, the quality of its work including the quality of the audit report, the quality of the audit partner and audit team, the expertise of the audit firm and the resources available to it, the identification of audit risk, the planning and execution of the audit and the terms of engagement.

The audit committee has direct access to the Company's independent auditor and provides a forum through which the independent auditor reports to the board. Representatives of PKF attend the audit committee meetings at least twice annually.

### **Internal audit**

The audit committee believes that the Company does not require an internal audit function, principally because the Company delegates its day-to-day operations to third parties, which are monitored by the audit committee, and which provide control reports on their operations at least annually.

This report was approved by the audit committee on 23 July 2024.



**Perry Wilson**

Chairman of the Audit Committee

# Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report, the directors' remuneration report and the financial statements in accordance with applicable law and regulations.

Applicable law requires the directors to prepare financial statements for each financial year. As such the directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. 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 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 and the directors' remuneration report 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.

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

The directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Each of the directors, whose names and functions are listed in the directors' report, confirms that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces;
- so far as the director is aware, there is no relevant audit information of which the Company's independent auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's independent auditor is aware of that information.

# Directors' Remuneration Report (Unaudited)

## STATEMENT FROM THE CHAIRMAN

I am pleased to present the directors' remuneration report for the year ended 31 March 2024, prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Companies Act 2006. The Company's Independent Auditor is required to verify certain information within this report subject to statutory audit by the Companies Act 2006.

We are required to seek shareholder approval of the directors' remuneration policy at least every third year and the remuneration report annually. Any changes to the directors' remuneration policy will require shareholder approval. The Company's remuneration policy is set out below and is unchanged since it was last approved by shareholders at the AGM held in September 2021. An ordinary resolution to approve the directors' remuneration policy will be put to shareholders at the upcoming AGM. At the AGM, shareholders will also be asked to consider an advisory resolution on the contents of the directors' remuneration report.

As at 31 March 2024, the board comprised three non-executive directors, two of whom are independent of the Manager.

Given the size of the board, and as the Company has no employees, it is not considered appropriate for the Company to establish separate remuneration and nomination committees. It is, therefore, the Company's practice for the board to consider and approve directors' remuneration. Post the Company's incorporation, Directors' fees are set at the rate of £26,100 (31 March 2023: £26,100) for Perry Wilson and £26,100 (31 March 2023: £26,100) for St. John Agnew (inclusive of National Insurance Contributions). Prior to the Company's incorporation Directors' fees were set at the rate of £24,000 per director per annum for Perry Wilson. Gareth Burchell has agreed to waive his director's fee.

As the board's fees were considered prior to its listing as an investment company, the appointment of external remuneration consultants was not considered necessary. Furthermore, the board took the decision not to revise the board's fees because they did not feel it was appropriate, given the Company's short existence. Many parts of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 do not apply to the Company as the board is comprised entirely of non-executive directors and the Company has no employees.

## DIRECTORS' REMUNERATION POLICY

The remuneration policy was approved at the Company's AGM held on 15 September 2021, with all shareholders present voting in favour of the resolution on a show of hands.

The maximum fees for the board as a whole are limited by the Company's Articles of Association to £300,000 per annum. Subject to this limit, the board's policy is that remuneration of non-executive directors should reflect the experience of the board member and the time commitment required by board members to carry out their duties, and is determined with reference to the appointment of directors of similar investment companies. The level of remuneration has been set with the aim of promoting the future success of the Company. With this in mind the board considers remuneration in order to attract individuals of a calibre appropriate to promote the long-term success of the Company and to reflect the specific circumstances of the Company and its field of investment, the duties and responsibilities of the directors and the value and amount of time commitment required of directors to the Company's affairs.

Due regard is taken of the board's requirement to attract and retain individuals with suitable knowledge and experience and the role that the individual directors fulfil. There are no specific performance-related conditions attached to the remuneration of the board and the board members are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other non-cash benefits or taxable expenses. No other payments are made to directors other than reasonable out-of-pocket expenses which have been incurred as a result of attending to the affairs of the Company.

In addition to the board's remuneration, board members are entitled to such fees as they may determine in respect of any extra or special services performed by them, having been called upon to do so. Such fees would only be incurred in exceptional circumstances. An example of such a circumstance would be if the Company was to undertake a corporate action, which would require the board to dedicate additional time to review associated documents and to attend additional meetings. Such fees would be determined at the board's absolute discretion and would be set at a similar rate to other comparable investment companies who have undertaken equivalent activities. The fees would be set with the Company's long-term success in mind and the interests of the Company's members as a whole would be considered prior to the setting of such fees.

The directors are entitled to be paid all expenses properly incurred by them in attending meetings with shareholders or other directors or otherwise in connection with the discharge of their duties as directors. Shareholders have the opportunity to express their views in respect of directors' remuneration at the Company's AGM. The Company has not sought shareholder views on its remuneration policy. Any comment volunteered by shareholders on the remuneration policy will be carefully considered and appropriate action taken. No communications have been received from shareholders on the directors' remuneration policy.

The directors' remuneration policy and its implementation are reviewed by the board as a whole on an annual basis. Directors do not vote on their own fees. Reviews are based on third parties' information on the fees of other similar investment trusts.

None of the directors have a service contract with the Company, nor are any such contracts proposed. Instead, directors are appointed pursuant to a letter of appointment entered into with the Company. There is no notice period specified in the letters of appointment or articles of association for the removal of directors. Directors are not appointed for a specific term. Copies of the directors' letters of appointment are available at each of the Company's AGMs.

The directors are not entitled to exit payments and are not provided with any compensation for loss of office.

As with most investment trusts there is no chief executive officer and no employees. The directors' remuneration policy will apply to new board members, who will be paid the equivalent amount of fees as current board members holding similar roles.

## VOTING AT 15 SEPTEMBER 2021

As stated above an ordinary resolution for the approval of the proposed directors' remuneration policy was last approved by shareholders at the AGM held in September 2021.

The directors' remuneration report, including the implementation of the directors' remuneration policy, is subject to an annual advisory vote via an ordinary resolution. An advisory vote is a non-binding resolution. At the meeting of the Company held on 15 September 2021, the vote to approve the directors' remuneration report was passed with all shareholders presented voted in favour of the relation by a show of hand and the resolution was passed.

### Directors' fees

Single total aggregate directors' remuneration (exclusive of National Insurance Contributions) for the year under review was £48,000 (2023: £48,000). The directors who served during the year under review received the following emoluments:

Director	Fees paid during the year under review (1 April 2023 to 31 March 2024)	Taxable benefits	Non-taxable benefits	Total year to 31 March 2024
<b>St. John Agnew</b>	£24,000	£-	£-	£24,000
<b>Perry Wilson (Chairperson)</b>	£24,000	£-	£-	£24,000
<b>Total</b>	<b>£48,000</b>	<b>£-</b>	<b>£-</b>	<b>£48,000</b>



Director	Fees paid during the year under review (1 April 2022 to 31 March 2023)	Taxable benefits	Non-taxable benefits	Total year to 31 March 2023
<b>St. John Agnew</b>	£24,000	£-	£-	£24,000
<b>Perry Wilson (Chairperson)</b>	£24,000	£-	£-	£24,000
<b>Total</b>	<b>£48,000</b>	<b>£-</b>	<b>£-</b>	<b>£48,000</b>

No payments were made to past directors for loss of office. In the absence of further major increases in the workload and responsibility involved, the board does not expect fees to increase significantly over the next three years. The overall remuneration of each director will continue to be monitored by the board, taking into account those matters referred to in the annual statement above. The Company did not pay any other benefits including bonuses, pension benefits, share options, long-term incentive schemes or other non-cash benefits or taxable benefits.

The Company has not made any loans to the directors, nor has it ever provided any guarantees for the benefit of any director or the directors collectively nor does it intend to.

### Company performance

The board is responsible for the Company's investment strategy and performance, although day-to-day management of the Company's affairs, including the management of the Company's portfolio, has been delegated to third-party service providers. An explanation of the performance of the Company is given in the Chairman's statement and the Investment Manager's report on pages 4 and 12, respectively.

## EXPENDITURE BY THE COMPANY ON DIRECTORS' REMUNERATION COMPARED WITH DISTRIBUTIONS TO SHAREHOLDERS

The following table is provided in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 which sets out the relative importance of spend on pay in respect of the year ended 31 March 2024. The table shows the remuneration paid to directors for the year under review, compared to the distribution payments to shareholders.

	Year from 1 April 2023 to 31 March 2024
Total remuneration paid to directors	£48,000
Shareholder distribution – dividends or share buybacks	£-

	Year from 1 April 2022 to 31 March 2023
Total remuneration paid to directors	£48,000
Shareholder distribution – dividends or share buybacks	£-

## DIRECTORS' INTERESTS

The Company does not have any requirement for any director to own shares in the Company.

As at 31 March 2024, the directors do not hold shares in the Company.

There have been no changes to any holdings between 31 March 2024 and the date of this annual report.

The annual report on remuneration was approved by the board on 23 July 2024 and signed on its behalf by:

  
**Perry Wilson**  
Chairman

# 6 Independent Auditor's Report

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SURE VENTURES PLC

### Opinion

We have audited the financial statements of Sure Ventures plc (the 'company') for the year ended 31 March 2024 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

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 public interest 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 company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing and challenging management's assessment of going concern. Our review focused on the levels of expenditure and anticipated investor commitments over the twelve months following the approval of the financial statements and whether the directors had demonstrated that the company would have sufficient funds available to meet these obligations;
- Reviewing the impact of external factors such as the Russia-Ukraine crisis and the impact of rising inflation, and we have not noted any significant impact on the business to date;
- Evaluating and assessing whether all relevant information, based on our knowledge of the company and the sector, and factors impacting the sector, was included in management's assessment of going concern; and
- Reviewing the company's ongoing maintenance of its investment trust status, in particular the company's compliance with the close company requirements per The Investment Trust (Approved Company) (Tax) Regulations 2011.

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

In relation to the entity's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

### Our application of materiality

We define materiality as the magnitude of misstatement, including omission, either individually or in aggregate, that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstance of their occurrence, when evaluating their effect on the financial statements. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determine materiality for the financial statements as a whole as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Materiality</b>	£122,000	£79,000
<b>Basis for determining materiality</b>	Materiality was determined on the basis of 2% of net assets in 2024 and 1% of net assets in 2023.	
<b>Rationale for the benchmark applied</b>	In both years, net assets was the benchmark for materiality given the nature of the business, which is asset focused. The percentage applied to the benchmark was increased from 1% to 2% due to the investments and related balances being tested in full and the remaining areas of the financial statements being comparatively low risk.	

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an acceptably low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality is set based on the materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regards to the internal control environment. In this respect, performance materiality was set to 70% of the above materiality, to £85,400 (2023: £55,300).

We agreed with the Audit Committee that we would report audit differences in excess of £6,100 (2023: £3,950) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

### Our approach to the audit

Our audit approach was developed by updating our understanding of the company's activities and the overall control environment. Based on this understanding, we assessed those aspects of the company's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. We looked at areas involving significant accounting estimates and judgement by the directors, being the valuation of investments held at fair value through profit or loss, as detailed within our Key Audit Matter, and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. We identified what we considered to be key audit matters in the next section and planned our audit approach accordingly.

### Key audit matters

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

Key Audit Matter	How our scope addressed this matter
<p><b>The valuation of investments held at fair value through profit or loss (Note 9)</b></p>	
<p>The valuation of investments at 31 March 2024 was £6,236,446 (2023: £8,196,153) consisting of a portfolio of listed, unlisted and fund investments.</p> <p>The valuation of the assets held in the investment portfolio is the key driver of the company’s net asset value. Incorrect investment valuations could materially affect the overall investment portfolio valuation and subsequently the return generated for the shareholders.</p> <p>The investments are recorded at fair value through profit or loss. The fair value is largely driven by the audited Net Asset Value (‘NAV’) of the investee Fund’s portfolio.</p> <p>The Investee Fund has holdings in private equity companies, being level 3 investments (as defined by IFRS 13 <i>Fair Value Measurement</i>).</p> <p>As the investments are material to the overall performance of the company and significant estimates and judgement is applied in valuing these, there is a risk that the underlying investments are inappropriately valued and as such the valuation of investments is deemed to be a key audit matter.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and implementation of controls in place over the valuation of investments;</li> <li>• Updating our understanding of the valuation process applied by the company;</li> <li>• Agreeing the value of the company’s investments in the funds to the audited financial statements of the funds for the year ended 31 March 2024;</li> <li>• Reviewing the valuation methodology applied for each investment and considering whether it was appropriate based on the investment’s individual circumstances and not inconsistent with observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines;</li> <li>• Agreeing key inputs which drive the overall valuation to source documentation; and</li> <li>• Considering the adequacy, appropriateness and relevance of disclosures in accordance with <i>IFRS 9 Financial Instruments and IFRS 13</i>.</li> </ul> <p>Based on the procedures performed, we concluded that the fair values attributable to the company’s investments were reasonable.</p>

**Other information**

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the 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.

### **Corporate governance statement**

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 23;
- Directors' explanation as to their assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out on page 24;
- Directors' statement on whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities set out on page 24;
- Directors' statement that they consider the annual report and the financial statements, taken as a whole, to be fair, balanced and understandable set out on page 36;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 16;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 31; and
- The section describing the work of the Audit Committee set out on page 33.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, 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:

- We updated our understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of listed entities and the investment trust sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, UK-adopted international accounting standards, Financial Conduct Authority (FCA) Rules, UK-tax law including section 1158 of the Corporation Tax Act 2010 covering the company's qualification as an investment trust and The Investment Trust (Approved Company) (Tax) Regulations 2011, and the UK Corporate Governance Code.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
  - reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the relevant laws and regulations listed above;
  - using appropriate checklists and application of cumulative audit knowledge and experience of the sector to assess compliance with the relevant laws and regulations listed above;
  - reviewing minutes of meetings of the Board and the Audit Committee;
  - reviewing Regulatory News Service (RNS) announcements; and
  - reviewing legal and regulatory correspondence.

All engagement team members were briefed on relevant laws and regulations and potential fraud risks at the planning stage of the audit and reconsidered these throughout the audit and at the completion stage of the audit. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias which could materially impact the financial statements existed in the valuation of the investments held at fair value through profit or loss. The key audit matters section of this report details the procedures used in auditing the fair value of investments.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

### **Other matters which we are required to address**

We were appointed by the Audit Committee on 16 April 2018 to audit the financial statements for the period ended 31 March 2018 and subsequent financial periods. Our total uninterrupted period of engagement is seven years, covering the periods ended 31 March 2018 to 31 March 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

### **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.



**Azhar Rana (Senior Statutory Auditor)  
For and on behalf of PKF Littlejohn LLP  
Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

23 July 2024



# 7 Financial Statements

# Income Statement

For the year ended 31 March 2024

	Note	2024			2023		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
<b>Income</b>							
Loss on disposal of investments		-	(271,039)	(271,039)	-	-	-
Other net changes in fair value on financial assets at fair value through profit or loss		-	(1,887,051)	(1,887,051)	-	(100,248)	(100,248)
Rebate management fee		88,646	-	88,646	99,907	-	99,907
<b>Total net income/(loss)</b>		<b>88,646</b>	<b>(2,158,090)</b>	<b>(2,069,444)</b>	<b>99,907</b>	<b>(100,248)</b>	<b>(341)</b>
<b>Expenses</b>							
Management fee	4	(138,646)	-	(138,646)	(149,907)	-	(149,907)
Custodian, secretarial and administration fees		(116,379)	-	(116,379)	(110,274)	-	(110,274)
Other expenses	5	(179,561)	-	(179,561)	(161,958)	-	(161,958)
<b>Total operating expenses</b>		<b>(434,586)</b>	<b>-</b>	<b>(434,586)</b>	<b>(422,139)</b>	<b>-</b>	<b>(422,139)</b>
Interest expense	6	(22,448)	-	(22,448)	(7,158)	-	(7,158)
<b>Loss before taxation and after finance costs</b>		<b>(368,388)</b>	<b>(2,158,090)</b>	<b>(2,526,478)</b>	<b>(329,390)</b>	<b>(100,248)</b>	<b>(429,638)</b>
Taxation	7	-	-	-	-	-	-
<b>Loss after taxation</b>		<b>(368,388)</b>	<b>(2,158,090)</b>	<b>(2,526,478)</b>	<b>(329,390)</b>	<b>(100,248)</b>	<b>(429,638)</b>
<b>Deficit per share</b>	8	<b>(5.31)</b>	<b>(31.10)</b>	<b>(36.41)</b>	<b>(5.14)</b>	<b>(1.56)</b>	<b>(6.70)</b>

The total column of this statement represents the income statement prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The supplementary revenue return and capital return columns are both prepared under guidance issued by the Association of Investment Companies. All items in the above statement derive from continuing operations.

The Company does not have any income or expense that is not included in the income statement for the year. Accordingly, the net loss for the year is also the total comprehensive income for the year, as defined in IAS 1 (revised).

The notes on pages 52 to 65 form an integral part of the financial statements.

# Statement of Financial Position

As at 31 March 2024

Company No. 10829500

	Note	31 March 2024 £	31 March 2023 £
<b>Non - current assets</b>			
Investments held at fair value through profit or loss	9	6,236,446	8,196,153
		<b>6,236,446</b>	<b>8,196,153</b>
<b>Current assets</b>			
Receivables	10	8,527	2,240
Cash and cash equivalents		65,209	36,697
		<b>73,736</b>	<b>38,937</b>
<b>Total assets</b>		<b>6,310,182</b>	<b>8,235,090</b>
<b>Non - current liabilities</b>			
Interest payable	11	(29,238)	(7,145)
Loan payable	11	(400,000)	(200,000)
		<b>(429,238)</b>	<b>(207,145)</b>
<b>Current liabilities</b>			
Other payables	12	(61,214)	(64,738)
		<b>(61,214)</b>	<b>(64,738)</b>
<b>Total assets less current liabilities</b>		<b>6,248,968</b>	<b>8,170,352</b>
<b>Total net assets</b>		<b>5,819,730</b>	<b>7,963,207</b>
<b>Shareholders' funds</b>			
Ordinary share capital	13	70,514	66,464
Share premium		6,782,648	6,403,697
Revenue reserves		(2,013,466)	(1,645,078)
Capital reserves		980,034	3,138,124
<b>Total shareholders' funds</b>		<b>5,819,730</b>	<b>7,963,207</b>
<b>Net asset value per share</b>	14	<b>82.53p</b>	<b>119.81p</b>

The notes on pages 52 to 65 form an integral part of the financial statements.

The financial statements on pages 47 to 65 were approved by the board of directors and authorised for issue on 23 July 2024. The financial statements were signed on its behalf by:

*Perry Wilson*  
Perry Wilson, Chairman

# Statement of Changes in Equity

## For the year ended 31 March 2024

	Ordinary Share Capital £	Share Premium £	Revenue Reserves £	Capital Reserves £	Total Reserves £	Total Equity £
<b>Balance at 1 April 2023</b>	<b>66,464</b>	<b>6,403,697</b>	<b>(1,645,078)</b>	<b>3,138,124</b>	<b>1,493,046</b>	<b>7,963,207</b>
Ordinary shares issued	4,050	395,950	-	-	-	400,000
Ordinary shares issue costs	-	(16,999)	-	-	-	(16,999)
Loss after taxation	-	-	(368,388)	(2,158,090)	(2,526,478)	(2,526,478)
Dividends paid in the year	-	-	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>70,514</b>	<b>6,782,648</b>	<b>(2,013,466)</b>	<b>980,034</b>	<b>(1,033,432)</b>	<b>5,819,730</b>

## For the year ended 31 March 2023

	Ordinary Share Capital £	Share Premium £	Revenue Reserves £	Capital Reserves £	Total Reserves £	Total Equity £
<b>Balance at 1 April 2022</b>	<b>60,132</b>	<b>5,768,780</b>	<b>(1,315,688)</b>	<b>3,238,372</b>	<b>1,922,684</b>	<b>7,751,596</b>
Ordinary shares issued	6,332	668,667	-	-	-	674,999
Ordinary shares issue costs	-	(33,750)	-	-	-	(33,750)
Loss after taxation	-	-	(329,390)	(100,248)	(429,638)	(429,638)
Dividends paid in the year	-	-	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>66,464</b>	<b>6,403,697</b>	<b>(1,645,078)</b>	<b>3,138,124</b>	<b>1,493,046</b>	<b>7,963,207</b>

As at 31 March 2024, the Company had distributable revenue reserves of £Nil (2023: £Nil). The distributable reserves are the capital reserves of £5,006,859 (2023: £3,338,124).

The notes on pages 52 to 65 form an integral part of the financial statements.

# Statement of Cash Flows

For the year ended 31 March 2024

	Notes	For the year ended 31 March 2024 £	For the year ended 31 March 2023 £
<b>Cash flows from operating activities:</b>			
Loss after taxation		(2,526,478)	(429,638)
Adjustments for:			
Loss on sale of investment		271,039	-
Increase in receivables		(6,287)	(640)
Increase in payables	12	18,569	23,034
Unrealised loss/(gain) on foreign exchange	9	151,722	(204,145)
Net changes in fair value on financial assets at fair value through profit or loss	9	1,735,329	304,393
<b>Net cash (outflow) from operating activities</b>		<b>(356,106)</b>	<b>(306,996)</b>
<b>Cash flows from investing activities:</b>			
Purchase of investments	9	(662,460)	(779,734)
Sales of investments	9	464,077	-
<b>Net cash (outflow) from investing activities</b>		<b>(198,383)</b>	<b>(779,734)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issue of ordinary shares		400,000	674,999
Proceed from loans		255,000	400,000
Repayment of loans		(55,000)	(200,000)
Share issue costs		(16,999)	(33,750)
<b>Net cash inflow from financing activities</b>		<b>583,001</b>	<b>841,249</b>
<b>Net change in cash and cash equivalents</b>		<b>28,512</b>	<b>(245,481)</b>
Cash and cash equivalents at the beginning of the year		36,697	282,178
<b>Net cash and cash equivalents</b>		<b>65,209</b>	<b>36,697</b>

The notes on pages 52 to 65 form an integral part of the financial statements.

# Notes to the Financial Statements

## 1) MATERIAL ACCOUNTING POLICIES

### **Basis of accounting**

The financial statements of Sure Ventures plc (the "Company") have been prepared in accordance with UK-adopted international accounting standards in accordance with the requirements of the Companies Act 2006.

The principal accounting policies adopted by the Company are set out below. Where presentational guidance set out in the Statement of Recommended Practice (the "SORP") for investment trusts issued by the Association of Investment Companies (the "AIC") in July 2022 is consistent with the requirements of the applicable international accounting standards, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the inclusion of investments and financial instruments at fair value through profit or loss.

All values are rounded to the nearest pound unless otherwise indicated.

### **Going concern**

The directors have assessed the going concern assumption. Following the assessment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

### **Foreign currency**

The presentation currency of the Company is pound sterling ("£"), the financial statements are prepared in this currency in accordance with the Company's prospectus. The Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The board has determined that pound sterling is the Company's functional currency.

Foreign exchange gains and losses relating to the financial assets and financial liabilities carried at fair value through profit or loss are presented in the income statement within 'other net changes in fair value on financial assets at fair value through profit or loss'.

### **Presentation of income statement**

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the income statement between items of a revenue and capital nature has been presented alongside the income statement.

### **Income**

Dividend income from investments is recognised when the Company's right to receive payment has been established, normally the ex-dividend date.

Interest income in profit or loss in the income statement includes bank interest. Interest income is recognised on an accrual basis.

Capital distributions and all changes in fair value of investments held at fair value through profit or loss are recognised in the capital column of the income statement.

### **Management fee rebate**

Any management fee and performance fee payable by the Company in accordance with the Management Agreement shall be reduced by an amount equal to any management fee and performance fee received by the Manager and the AIFM, or any member of its group, from the Fund or any further Fund in respect of the Company's investment in the Fund or any further Fund.

### **Expenses**

All expenses are accounted for on the accrual basis. In respect of the analysis between revenue and capital items presented within the income statement, all expenses have been presented as revenue items except as follows:

Transaction costs which are incurred on the purchases or sales of investments designated as fair value through profit or loss are expensed to capital in the income statement under other expenses.

Expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated and, accordingly, the management fee for the financial year has been allocated 100% (2023: 100%) to revenue and Nil% (2023: Nil%) to capital, in order to reflect the directors' long-term view of the nature of the expected investment returns of the Company.

### **Capital reserves**

Increases and decreases in the valuation of investments and realised/unrealised foreign exchange (loss)/gain held as at the year end are accounted for in the capital reserves. This reserve includes the proportion of expenses that have been presented as capital items in the income statement.

### **Taxation**

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the income statement is the 'marginal basis'. Under this basis, if taxable income is capable of being entirely offset by expenses in the revenue column of the income statement, then no tax relief is transferred to the capital return column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the revenue return column of the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Investment trusts which have approval under Part 24, Chapter 4 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

### **Classification**

#### **Financial assets and financial liabilities**

In accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006, the Company has designated its investments as financial assets at fair value through profit or loss.

##### **i) Financial assets at fair value through profit or loss**

The Company has designated all of its investments upon initial recognition as "financial assets at fair value through profit or loss". Their performance is evaluated on a fair value basis, in accordance with the risk management and investment strategies of the Company.

##### **ii) Financial assets at amortised cost**

Financial assets that are classified as "financial assets at amortised cost" include cash and cash equivalents and receivables.

##### **iii) Financial liabilities at amortised cost**

Financial liabilities at amortised cost include other payables, loan payable and interest payable.

### **Derecognition**

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all risks and rewards of ownership. If substantially all the risks and rewards have been neither retained nor transferred and the Company has retained control, the assets continue to be recognised to the extent of the Company's continuing involvement. Financial liabilities are derecognised when they are extinguished. Any gains or losses arising from the disposal of financial assets or financial liabilities (sale proceeds less transaction costs less the original cost of the investment) are recorded in the Income Statement.

## Investments

All investments held by the Company are held at fair value through profit or loss (“FVTPL”) but are also described in these financial statements as investments held at fair value, and are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines (“IPEVCV”) issued in December 2022 as endorsed by the British Private Equity and Venture Capital Association.

Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

## Receivables

Receivables do not carry any interest and are short-term in nature. They are initially stated at their nominal value and reduced by appropriate allowances for estimated irrecoverable amounts (if any).

## Cash and cash equivalents

Cash and cash equivalents (which are presented as a single class of asset on the Statement of Financial Position) comprise cash at bank, cash in hand and deposits with an original maturity of three months or less. The carrying value of these assets approximates to their fair value.

## Payables

Payables are non-interest bearing.

## Dividends

Interim dividends are recognised in the year in which they are paid. Final dividends are recognised when they have been approved by shareholders.

## Loan payable

Loan payable is classified and measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised over the period of the loan using the effective interest rate method. The Company initially recognises a loan payable when the Company becomes a party to the contractual provisions of a loan payable. The Company subsequently measures a loan payable at amortised cost and any interest expenses on a loan is recognised in the income statement using the effective interest rate method.

## New standards, amendments and interpretations effective from 1 January 2023

Up to the date of issue of these financial statements, the International Accounting Standards Board (the “IASB”) has issued a number of amendments, new standards and interpretations which are effective for the period beginning 1 January 2023 and which have been adopted in these financial statements.

### Amendments to IAS 1 – presentation of financial statements and practice statement 2: disclosure of accounting policies

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

### Amendments to IAS 8 – accounting policies, changes in accounting estimates and errors: definition of accounting estimate

The amendments to IAS 8, in which it introduces a definition of ‘accounting estimates’. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments and improvements noted above are effective from 1 January 2023 and the Company has adopted these, where relevant, from 1 January 2023 and it has not resulted in any change to the presentation of these financial statements.

### New or revised accounting standards and interpretations that have been issued but not yet effective for the year ended 31 December 2023

The following amendments to standards have been issued to date and are not yet effective for the year ended 31 December 2023 and have not been applied nor early adopted, where applicable in preparing these financial statements:



<b>Description</b>	<b>Effective for accounting period beginning on or after</b>
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024

The Directors of the Company anticipate that the adoption of these amendments that were in issue at the date of authorisation of these financial statements, but not yet effective, will have no material impact on the financial statements of the Company in the year of initial application.

## CAPITAL STRUCTURE

### Share capital

Ordinary shares are classed as equity. The ordinary shares in issue have a nominal value of one penny and carry one vote each.

### Share premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs.

### Capital reserve

Unrealised gains and losses on investments held as at the year end arising from movements in fair value, and realised gains and losses on disposal of investments are taken to the capital reserve. This reserve includes the proportion of expenses that have been presented as capital items in the income statement.

### Revenue reserve

Net revenue profits and losses of the Company.

## 2) MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting year. Although these estimates are based on the directors' best knowledge of the amount, actual results may differ ultimately from those estimates.

The areas requiring a higher degree of judgement or complexity and areas where assumptions and estimates are material to the financial statements are in relation to investments at fair value through profit or loss described below.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

### Equity investments

The unquoted equity assets are valued on a periodic basis using techniques including a market approach, costs approach and/or income approach. The valuation process is collaborative, involving the finance and investment functions within the Manager with the final valuations being reviewed by the Manager's valuation committee.

Shareholders should note that increases or decreases in any of the inputs in isolation may result in higher or lower fair value measurements. Changes in fair value of all investments held at fair value are recognised in the income statement as a capital item. On disposal, realised gains and losses are also recognised in the income statement.

### 3) SEGMENTAL REPORTING

The Company's board and the Investment Manager consider investment activity in selected equity assets as the single operating segment of the Company, being the sole purpose for its existence. No other activities are performed.

The directors are of the opinion that the Company is engaged in a single segment of business and operations of the Company are wholly in the United Kingdom.

### 4) MANAGEMENT AND PERFORMANCE FEE

#### Management fee

The management fee is payable quarterly in advance at a rate equal to 1/4 of 1.25% per month of net asset value (the "Management Fee"). The aggregate fee payable on this basis must not exceed 1.25% of the net assets of the Company in any year.

During the year ended 31 March 2024, the Company incurred £138,646 (2023: £149,907) of management fees and as at 31 March 2024, there was £12,500 (2023: £12,500) payable to the Manager.

Management fee is allocated to revenue and capital expenses in order to reflect the directors' long-term view of the nature of the expected investment returns of the Company. The revenue expense is the percentage of investment held at fair value through profit or loss to the net asset value of the Company. The management fee for the financial year has been allocated 100% (2023: 100%) to revenue and Nil% (2023: Nil%) to capital. During the year the rebate management fee amounted to £88,646 (2023: £99,907).

#### Performance fee

The Manager is entitled to a performance fee, which is calculated in respect of each twelve month period starting on 1 April and ending on 31 March in each calendar year ("Calculation Period"), and the final Calculation Period shall end on the day on which the management agreement is terminated or, if earlier, the business day immediately preceding the day on which the Company goes into liquidation.

The Manager is entitled to receive a performance fee equal to 15% of any excess returns over a high watermark, subject to achieving a hurdle rate of 8% in respect of each performance period. There is no performance fee charged during the year ended 31 March 2024 (2023: £Nil).

### 5) OTHER EXPENSES

	For the year ended 31 March 2024 £	For the year ended 31 March 2023 £
Auditor's remuneration – audit fees	38,950	32,850
Directors' fees	48,000	48,000
VAT expense	40,737	35,524
Legal and other professional	24,347	20,609
Listing fees	5,923	(2,193)
Service fee expense	6,506	8,800
Other expenses	15,098	18,368
<b>Total other expenses</b>	<b>179,561</b>	<b>161,958</b>

All expenses are inclusive of VAT where applicable. Further details on directors' fees can be found in the directors' remuneration report on pages 37 to 39.

## 6) INTEREST EXPENSE

Interest income and interest expense are accounted for on an accrual basis and recognised in the income statement.

Interest expense for the year ended 31 March 2024 was £22,448 (2023: £7,158).

## 7) TAXATION

As an investment trust the Company is exempt from corporation tax on capital gains. The Company's revenue income is subject to tax, but offset by any interest distribution paid, which has the effect of reducing that corporation tax to Nil (2023: Nil). This means the interest distribution may be taxable in the hands of the Company's shareholders.

Any change in the Company's tax status or in taxation legislation generally could affect the value of investments held by the Company, affect the Company's ability to provide returns to shareholders, lead the Company to lose its exemption from UK Corporation tax on chargeable gains or alter the post-tax returns to shareholders. It is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain status as an investment trust, as the ordinary shares are freely transferable. The Company, in the event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for maintaining investment trust status, will as soon as reasonably practicable, notify shareholders of this fact.

The Company has obtained initial approval of investment trust status from HM Revenue & Customs and the directors believe that the Company has met the ongoing investment trust requirements since the date of initial approval.

### Factors affecting taxation charge for the year

The taxation charge for the year is lower than the standard rate of UK corporation tax of 25.00% (2023: 19.00%). A reconciliation of the taxation charge based on the standard rate of UK corporation tax to the actual taxation charge is shown below.

31 March 2024	Revenue £	Capital £	Total £
Return on ordinary activities before taxation	(368,388)	(2,158,090)	(2,526,478)
Return on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of <b>25.00%</b>	(92,097)	(539,523)	(631,620)
<b>Effects of:</b>			
Excess management expenses not utilised	92,097	539,523	631,620
<b>Total tax charge in income statement</b>	-	-	-

31 March 2023	Revenue £	Capital £	Total £
Return on ordinary activities before taxation	(329,390)	(100,248)	(429,638)
Return on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of <b>19.00%</b>	(62,584)	(19,047)	(81,631)
<b>Effects of:</b>			
Excess management expenses not utilised	62,584	19,047	81,631
<b>Total tax charge in income statement</b>	-	-	-

### Overseas taxation

The Company may be subject to taxation under the tax rules of the jurisdictions in which it invests, including by way of withholding of tax from interest and other income receipts. Although the Company will endeavour to minimise any such taxes this may affect the level of returns to shareholders.

### Factors that may affect future tax charges

As at 31 March 2023, the Company had unrelieved losses of £2,087,772 (2023: £1,719,383) available to offset future taxable revenue. A deferred tax asset of £521,943 (2023: £429,846) has not been recognised because the Company is not expected to generate sufficient taxable income in future periods in excess of the available deductible expenses and accordingly, the Company is unlikely to be able to reduce future tax liabilities through the use of existing surplus losses.

The 2024 deferred tax asset not recognised has been calculated at 25% (2023: 25%), being the substantively enacted corporation tax rate expected to be applicable at the date of reversal of the Company's unrelieved losses, should this reversal occur. Due to historic reallocations of income statement items between those of a revenue nature and a capital nature, the comparative unrelieved losses and deferred tax asset not recognised have been restated.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an investment trust company.

## 8) EARNINGS PER SHARE

For the financial year ended 31 March 2024	Revenue pence	Capital pence	Total pence
Earnings per ordinary share	(5.31)p	(31.10)p	(36.41)p

The calculation of the above is based on revenue returns of (£368,388), capital returns of (£2,158,090) and total returns of (£2,526,478) and the weighted average number of ordinary shares of 6,938,133 as at 31 March 2024.

For the financial year ended 31 March 2023	Revenue pence	Capital pence	Total pence
Earnings per ordinary share	(5.14p)	(1.56p)	(6.70p)

The calculation of the above is based on revenue returns of (£329,390), capital returns of (£100,248) and total returns of (£429,638) and the weighted average number of ordinary shares of 6,413,341 as at 31 March 2023.

## 9) FAIR VALUE MEASUREMENTS

### (a) Movements in the year

	As of 31 March 2024 £	As of 31 March 2023 £
<b>Opening cost</b>		
Opening fair value	<b>8,196,153</b>	<b>7,516,667</b>
Purchases at cost	662,460	779,734
Sales	(464,077)	-
Realised loss	(271,039)	-
Unrealised loss	(1,735,329)	(304,393)
Unrealised (loss)/gain on foreign exchange	(151,722)	204,145
<b>Closing fair value as at 31 March 2024 and 2023</b>	<b>6,236,446</b>	<b>8,196,153</b>

**(b) Accounting classifications and fair values**

IFRS 13 requires the Company to classify its financial instruments held at fair value using a hierarchy that reflects the significance of the inputs used in the valuation methodologies.

These are as follows:

- Level 1 – quoted prices in active markets for identical investments;
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc.); and
- Level 3 – significant unobservable inputs (including the Company’s own assumptions in determining the fair value of investments).

The following sets out the classifications used as at 31 March 2024 in valuing the Company’s investments:

31 March 2024	Carrying amount				Fair value			
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	£	£	£	£	£	£	£	£
<b>Financial assets measured at fair value</b>								
Investments in quoted equity assets	3,642	-	-	3,642	3,642	-	-	3,642
Investments in unquoted equity assets	6,232,804	-	-	6,232,804	-	-	6,232,804	6,232,804
	<b>6,236,446</b>	-	-	<b>6,236,446</b>	<b>3,642</b>	-	<b>6,232,804</b>	<b>6,236,446</b>
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	65,209	-	65,209				
Receivables	-	8,527	-	8,527				
	-	<b>73,736</b>	-	<b>73,736</b>				
<b>Financial liabilities not measured at fair value</b>								
Loan payable	-	-	400,000	400,000				
Interest payable	-	-	29,238	29,238				
Other payables	-	-	61,214	61,214				
	-	-	<b>490,452</b>	<b>490,452</b>				

31 March 2023	Carrying amount				Fair value			
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	£	£	£	£	£	£	£	£
<b>Financial assets measured at fair value</b>								
Investments in quoted equity assets	140,814	-	-	140,814	140,814	-	-	140,814
Investments in unquoted equity assets	8,055,339	-	-	8,055,339	-	-	8,055,339	8,055,339
	<b>8,196,153</b>	-	-	<b>8,196,153</b>	<b>140,814</b>	-	<b>8,055,339</b>	<b>8,196,153</b>
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	36,697	-	36,697				
Receivables	-	2,240	-	2,240				
	-	<b>38,937</b>	-	<b>38,937</b>				
<b>Financial liabilities not measured at fair value</b>								
Loan payable	-	-	200,000	200,000				
Interest payable	-	-	7,145	7,145				
Other payables	-	-	64,738	64,738				
	-	-	<b>271,883</b>	<b>271,883</b>				

## 10) RECEIVABLES

	31 March 2024 £	31 March 2023 £
Prepayments	8,527	2,240
<b>Total receivables</b>	<b>8,527</b>	<b>2,240</b>

The above receivables do not carry any interest and are short-term in nature. The directors consider that the carrying values of these receivables approximate their fair value.

## 11) LOAN PAYABLE

The Company entered into a loan facility agreement of £1,000,000 with Shard Merchant Capital Limited dated 23 April 2018. Effective 12 January 2024, the maturity date of the loan agreement was extended to 23 April 2028. During the financial years ended 31 March 2024 and 2023, the Company drew down £255,000 and £400,000, respectively, on this loan facility agreement at an interest rate of 8% per annum. During the financial years ended 31 March 2024 and 2023, the Company repaid £55,000 and £200,000, respectively, on this loan facility agreement.

The below table shows the details of the loan payable with interest payable as at 31 March 2024 and 2023.

	As at 31 March 2024		As at 31 March 2023	
	Nominal	Interest	Nominal	Interest
	£	£	£	£
<b>Loan payable</b>	<b>400,000</b>	<b>29,238</b>	<b>200,000</b>	<b>7,145</b>

## 12) OTHER PAYABLES

	31 March 2024 £	31 March 2023 £
Accruals and deferred income	61,214	64,738
<b>Total other payables</b>	<b>61,214</b>	<b>64,738</b>

The above payables do not carry any interest and are short-term in nature. The directors consider that the carrying values of these payables approximate their fair value.

## 13) ORDINARY SHARE CAPITAL

The table below details the issued share capital of the Company as at the date of the financial statements.

Issued and allotted	No. of shares 31 March 2024		No. of shares 31 March 2023	
		£		£
<b>Ordinary shares of 1 penny each</b>	<b>7,051,600</b>	<b>70,514</b>	<b>6,646,472</b>	<b>66,464</b>

The following table details the subscription activity for the year ended 31 March 2024.

	31 March 2024	31 March 2023
Balance as at 1 April	6,646,472	6,013,225
Ordinary shares issued	405,128	633,247
<b>Balance as at 31 March</b>	<b>7,051,600</b>	<b>6,646,472</b>

During the years ended 31 March 2024 and 2023, all proceeds from the issues were received.

## 14) NET ASSET VALUE PER ORDINARY SHARE

	Year ended 31 March 2024		Year ended 31 March 2023	
	Net asset value per ordinary share pence	Net assets attributable £	Net asset value per ordinary share pence	Net assets attributable £
<b>Ordinary shares of 1 penny each</b>	82.53p	5,819,730	119.81p	7,963,207

The net asset value per ordinary share is based on net assets as at 31 March 2024 of £5,819,730 (2023: £7,963,207) and on 7,051,600 (2023: 6,646,472) ordinary shares in issue as at the year end.

## 15) CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Company may invest in Sure Valley Ventures, Sure Valley Ventures Enterprise Capital LP or other collective investment vehicles, subscriptions to which are made on a commitment basis. The Company will be expected to make a commitment that may be drawn down, or called, from time to time at the discretion of the Manager of the other collective investment vehicle. The Company will usually be contractually obliged to make such capital call payments and a failure to do so would usually result in the Company being treated as a defaulting investor by the collective investment vehicle.

The Company has to satisfy capital calls on its commitments and will do through a combination of reserves, and where applicable the realisation of cash and cash equivalents and liquid investments (as each expression is defined in the prospectus dated 17 November 2017), anticipated future cash flows to the Company, the use of borrowings and, potentially, further issues of shares.

As at 31 March 2024, the Company had outstanding commitments in relation to the Sure Valley Ventures in the amount of €0.2 million (2023: €0.7 million) and for Sure Valley Ventures Enterprise Capital LP in the amount of £4.5 million (2023: £4.8 million).

## 16) RELATED PARTY TRANSACTIONS AND TRANSACTIONS WITH THE MANAGER

**Directors** – The remuneration of the directors is set out in the directors' remuneration report on pages 37 to 39. There were no contracts subsisting during or at the end of the year in which a director of the Company is or was interested and which are or were significant in relation to the Company's business. There were no other transactions during the year with the directors of the Company. The directors do not hold any ordinary shares of the Company.

As at 31 March 2024, there was £4,343 (2023: £1,239) payable to the Her Majesty's Revenue and Customs ("HMRC") for taxes on the Directors' fees and expenses.

**Manager** – Shard Capital AIFM LLP (the "Manager"), a UK-based company authorised and regulated by the Financial Conduct Authority, has been appointed as the Company's Manager and Alternative Investment Fund Manager for the purposes of the Alternative Investment Fund Managers Directive. Details of the services provided by the Manager and the fees paid are given in note 4.

During the year ended 31 March 2024, the Company incurred £138,646 (2023: £149,907) of management fees and as at 31 March 2024, there was £12,500 (2023: £12,500) payable to the Manager. During the year ended 31 March 2024, the Company received a rebate management fee of £88,646 (2023: £99,907) from the Manager.

During the year ended 31 March 2024, the Company paid £16,999 (2023: £33,750) of placement fees to Shard Capital Partners LLP.

The Company paid corporate broking retainer fees of £12,280 (2023: £12,110) (excluding VAT) to Shard Capital Partners LLP during the year ended 31 March 2024.

The Company has investments in Sure Valley Ventures, the sub-fund of Suir Valley Funds ICAV, and Sure Valley Ventures Enterprise Capital LP, amounting to £5,932,789 (2023: £7,139,802) and £300,014 (£121,367) respectively. These funds are also managed by the Manager.



## 17) FINANCIAL RISK MANAGEMENT

The Company's investment objective is to achieve capital growth for investors pursuant to the investment policy outlined in the prospectus, this involves certain inherent risks. The main financial risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks as summarised below.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate. Market risk comprises three types of risk, price risk, interest rate risk and currency risk.

- Price risk - the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk);
- Interest rate risk - the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates; and
- Currency risk - the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company's exposure, sensitivity to and management of each of these risks is described below. Management of market risk is fundamental to the Company's investment objective. The investment portfolio is continually monitored to ensure an appropriate balance of risk and reward within the parameters of the investment restrictions outlined in the prospectus.

#### (a) Price risk

Price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements (other than those arising from interest rate risk or currency risk) specifically in equity investments purchased in pursuit of the Company's investment objective, held at fair value through the profit and loss.

As at 31 March 2024 and 2023, the Company held three direct private equity investments in the participating shares of Sure Valley Ventures, a sub-fund of Suir Valley Funds ICAV, Sure Valley Ventures Enterprises Capital LP and VividQ Limited.

As at 31 March 2024 and 2023, the investments in Sure Valley Ventures and Sure Valley Ventures Enterprises Capital LP are valued at the net asset values of the entities, as calculated by their administrators. As at 31 March 2024 and 2023, the investment in VividQ Limited is valued at the last round of investment.

As at 31 March 2024, had the fair value of investments strengthened by 10% with all other variables held constant, net assets attributable to holders of participating shares would have increased by £623,645 (2023: £819,615). A 10% weakening of the market value of investments against the above would have resulted in an equal but opposite effect on the above financial statement amounts to the amounts shown above, on the basis that all other variables remain constant. Actual trading results may differ from this sensitivity analysis and the difference may be material.

#### (b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Company finances its operations mainly through its share capital and reserves, including realised gains on investments.

Exposure of the Company's financial assets and financial liabilities to floating interest rates (giving cash flow interest rate risk when rates are reset) and fixed interest rates (giving fair value risk) as at 31 March 2024 and 31 March 2023 is shown overleaf:

Financial instrument	31 March 2024			31 March 2023		
	Floating rate £	Fixed or administered rate £	Total £	Floating rate £	Fixed or administered rate £	Total £
Cash and cash equivalents	-	65,209	65,209	-	36,697	36,697
Loan payable	-	(400,000)	(400,000)	-	(200,000)	(200,000)
<b>Total exposure</b>	-	<b>(334,791)</b>	<b>(334,791)</b>	-	<b>(163,303)</b>	<b>(163,303)</b>

An administered rate is not like a floating rate, movements in which are directly linked to LIBOR. The administered rate can be changed at the discretion of the counterparty.

#### (c) Currency risk

As at 31 March 2024, the Company's largest investment is denominated in Euro whereas its functional and presentation currency is pound sterling. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to Euro may change in a manner that has an adverse effect on the fair value of the Company's assets.

As at the reporting date the carrying value of the Company's financial assets and financial liabilities held in individual foreign currencies as a percentage of its net assets were as follows:

Foreign currency exposure as a percentage of net assets	31 March 2024	31 March 2023
<b>Euro</b>	102%	90%

#### Sensitivity analysis

If the Euro exchange rates increased/decreased by 10% against pound sterling, with all other variables held constant, the increase/decrease in the net asset attributable to the Company arising from a change in financial assets at fair value through profit or loss, which are denominated in Euro, would have been +/- £593,279 (2023: +/- £713,980).

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's credit risks arise principally through cash deposited with banks, which is subject to risk of bank default.

The Company ensures that it only makes deposits with institutions with appropriate financial standing.

Due to the low credit risk of the financial assets at amortised cost, the expected credit loss ("ECL") was determined to be immaterial and no impairment was recognised on the Company in the year ended 31 March 2024.

#### Liquidity risk

Liquidity risk is the risk that the Company will have difficulty in meeting its obligations in respect of financial liabilities as they fall due.

The Company manages its liquid resources to ensure sufficient cash is available to meet its expected contractual commitments. It monitors the level of short-term funding and balances the need for access to short-term funding, with the long-term funding needs of the Company.

#### Capital management

The Company's capital is represented by ordinary shares and reserves.

The Company's primary objectives in relation to the management of capital are:

- to maximise the long-term capital growth for its shareholders pursuant to its investment objective; and
- to ensure its ability to continue as a going concern.

The Company manages its capital structure and liquidity resources to meet its obligations as described above.

### **Borrowing limits**

Pursuant to the Prospectus dated 17 November 2017, the Company can deploy gearing up to 20% of the net asset value of the Company (calculated at the time of borrowing) to seek to enhance returns and for the purpose of capital flexibility and efficient portfolio management. During the financial years ended 31 March 2024 and 2023, the Company drew down £255,000 and £400,000, respectively, on this loan facility agreement at an interest rate of 8% per annum. During the financial years ended 31 March 2024 and 2023, the Company repaid £55,000 and £200,000, respectively, on this loan facility agreement.

### **18) ULTIMATE CONTROLLING PARTY**

It is the opinion of the directors that there is no ultimate controlling party.

### **19) EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the year end up until the date of signing these financial statements, the Company had the following significant events:

- Following the year end, the Company raised gross proceeds of £200,000 by way of a private placing. The 275,862 ordinary shares were issued at 72.5p per share, representing the closing mid-price on 10 June 2024. Total shares in admission of the Company then amounted to 7,327,462.
- Following the year end, Sure Ventures PLC was informed that LandVault, a Sure Valley Ventures Fund 1 portfolio company, has been acquired by Infinite Reality Labs for \$450m. This acquisition is a share for share transaction, with the acquirer planning to list on the Nasdaq later this year. Sure Valley Ventures Fund 1 has a 7% holding in LandVault and so this has created a significant uplift in the valuation of this holding, which will be reflected in the next quarterly NAV.

# 8 Alternative Performance Measures (“APMs”)

APMs are often used to describe the performance of investment companies although they are not specifically defined under UK-adopted international accounting standards. Calculations for APMs used by the Company are shown below.

## Ongoing charges

A measure expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company, calculated in accordance with the AIC methodology.

Year ended 31 March 2024		Page	
Average NAV (£'000)	a	not applicable	£7,115
Recurring costs (£'000)	b	47	£365
	b/a		5.13%

Year ended 31 March 2023		Page	
Average NAV (£'000)	a	not applicable	£7,969
Recurring costs (£'000)	b	47	£328
	b/a		4.12%

## Premium/(Discount)

The amount, expressed as a percentage, by which the share price is more than the NAV per share.

As at 31 March 2024		Page	
NAV per ordinary share	a	not applicable	82.53p
Share price	b	not applicable	73.50p
	(b-a)/a		(10.94%)

As at 31 March 2023		Page	
NAV per ordinary share	a	not applicable	119.81p
Share price	b	not applicable	95p
	(b-a)/a		(20.71%)

**Total return**

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of any dividends paid out by the Company, with reinvestment on ex-dividend date

Year ended 31 March 2024		Page	NAV	Share price
Opening as at 1 April 2023 (p)	a	2	119.81	95.00
Closing at 31 March 2024 (p)	b	2	82.53	73.50
Dividend reinvestment factor	c	n/a	1	1
Adjusted closing (d = b x c)	d		82.53	73.50
Total return	(d-a)/a		(31.12%)	(22.63%)

Year ended 31 March 2023		Page	NAV	Share price
Opening as at 1 April 2022 (p)	a	2	128.91	102.00
Closing at 31 March 2023 (p)	b	2	119.81	95.00
Dividend reinvestment factor	c	n/a	1	1
Adjusted closing (d = b x c)	d		119.81	95.00
Total return	(d-a)/a		(7.06%)	(6.86%)

# 9 Glossary

<b>AIC</b>	Association of Investment Companies
<b>Alternative Investment Fund or “AIF”</b>	An investment vehicle under AIFMD. Under AIFMD (see below) Sure Ventures plc is classified as an AIF.
<b>Alternative Investment Fund Managers Directive or “AIFMD”</b>	A European Union directive which came into force on 22 July 2013 and has been implemented in the United Kingdom.
<b>Annual General Meeting or “AGM”</b>	A meeting held once a year which shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask directors questions about the company in which they are invested.
<b>The Company</b>	Sure Ventures plc.
<b>Custodian</b>	An entity that is appointed to safeguard a company’s assets.
<b>Discount</b>	The amount, expressed as a percentage, by which the share price is less than the net asset value per share.
<b>Depository</b>	Certain AIFs must appoint depositaries under the requirements of AIFMD. A depository’s duties include, inter alia, safekeeping of a company’s assets and cash monitoring. Under AIFMD the depository is appointed under a strict liability regime.
<b>Dividend</b>	Income receivable from an investment in shares.
<b>Ex-dividend date</b>	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to shareholders.
<b>Financial Conduct Authority or “FCA”</b>	The independent body that regulates the financial services industry in the United Kingdom.
<b>Gearing effect</b>	The effect of borrowing on a company’s returns.
<b>Index</b>	A basket of stocks which is considered to replicate a particular stock market or sector.
<b>Investment company</b>	A company formed to invest in a diversified portfolio of assets.
<b>Investment trust</b>	An investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. The Company is an investment trust.
<b>Liquidity</b>	The extent to which investments can be sold at short notice.
<b>Net assets or net asset value (“NAV”)</b>	An investment company’s assets less its liabilities.
<b>NAV per ordinary share</b>	Net assets divided by the number of ordinary shares in issue (excluding any shares held in treasury).
<b>Ordinary shares</b>	The Company’s ordinary shares in issue.
<b>Portfolio</b>	A collection of different investments held in order to deliver returns to shareholders and to spread risk.
<b>Relative performance</b>	Measurement of returns relative to an index.
<b>Share buyback</b>	A purchase of a company’s own shares. Shares can either be bought back for cancellation or held in treasury.
<b>Share price</b>	The price of a share as determined by a relevant stock market.
<b>Treasury shares</b>	A company’s own shares which are available to be sold by a company to raise funds.
<b>Volatility</b>	A measure of how much a share moves up and down in price over a period of time.

# 10 Shareholders' Information

# Directors, Portfolio Manager and Advisers

## Directors

Perry Wilson  
Gareth Burchell  
St. John Agnew

## Administrator

Apex Fund Services (Ireland) Limited  
2nd Floor, Block 5  
Irish Life Centre  
Abbey Street Lower  
Dublin 1 DO1 P767  
Ireland

## Registered Office

International House  
36-38 Cornhill  
London EC3V 3NG  
United Kingdom

## Company Secretary

Apex Secretaries LLP  
6th Floor  
125 London Wall  
London EC2Y 5AS  
United Kingdom

## Manager and AIFM

Shard Capital AIFM LLP  
International House  
36-38 Cornhill  
London EC3V 3NG  
United Kingdom

## Registrar

Computershare Investor Services PLC  
The Pavilions  
Bridgewater Road  
Bristol BS99 6ZZ  
United Kingdom

## Placing Agent

Shard Capital Partners LLP  
International House  
36-38 Cornhill  
London EC3V 3NG  
United Kingdom

## Depository

INDOS Financial Limited  
27-28 Clements Lane  
London EC4N 7AE  
United Kingdom

## Website

<http://www.sureventuresplc.com>

## Independent Auditor

PKF Littlejohn LLP  
15 Westferry Circus  
Canary Wharf  
London E14 4HD  
United Kingdom

## Share Identifiers

ISIN: GB00BYWYZ460  
SEDOL: BYWYZ46  
EPIC: SURE



# 11 Investment Policy

## Investment Policy

### Asset allocation

The investment policy of the Company is to seek exposure to early stage technology companies, with a focus on software-centric businesses in four chosen target markets:

- \* Augmented reality and virtual reality (AR/VR)
- \* Financial technology (FinTech)
- \* The internet of things (IoT)
- \* Artificial Intelligence (AI)

The Company may invest directly in investee companies or obtain exposure to such companies through investment in collective investment vehicles, including Sure Valley Ventures (the "Fund") and any further funds, which have investment policies that are complementary to that of the Company. Investments may be made using such instruments as the Company in conjunction with Shard Capital AIFM LLP (the "Manager") may determine but are expected to predominantly comprise equities and equity-linked securities (including shares, preference shares, convertible debt instruments, payment-in-kind notes, debentures, warrants and other similar securities) and may include derivative instruments, contractual rights and other similar interests that grant the Company rights equivalent or similar to those conferred by equity and equity-linked securities.

The Company may implement its investment policy by investing in class A shares of the Fund and by investing in any further funds and collective investment vehicles managed by third parties. The Company will have discretion as to how to make investments, although it is anticipated that investments in the Fund will represent between 10% and 100% of the Company's portfolio at any given time, and that investments in any further funds and collective investment vehicles managed by third parties may similarly constitute a material proportion of the Company's net asset value subject to the Company's investment restrictions.

## DIVERSIFICATION

The Company will seek to hold a diversified portfolio of investments and, once the assets of the Company, the Fund and any other collective investment vehicles through which the Company invests are each fully invested, expects to have a direct or indirect holding of between 20 and 30 investments. It is intended that the Company would ordinarily acquire a significant interest, consisting generally of between 20% and 50% of an investee company's equity capital. The Company does not envisage taking management control of a portfolio company other than in exceptional circumstances and on a temporary basis, and only if it is considered that such action would be necessary to secure the interests of the Company. The Company has the option to invest directly in quoted companies. Furthermore, a portfolio company may seek a flotation in which case: (i) the Company may continue to hold such investments without restriction; and (ii) the Company may make follow-on investments in such portfolio companies.

The Company's investments will not be constrained by geographical limits. However, it is expected that the Company's portfolio will predominantly be exposed to companies that have their principal operations in the UK, Republic of Ireland or elsewhere in the European Economic Area. In addition, the Company will aim to satisfy the following guideline criteria for its portfolio:

- no more than 15% of the Company's NAV in a single investment and no more than 60% of the Company's NAV invested in a further fund or collective investment vehicle managed by a third party,
- invest in a further fund or collective investment vehicle managed by a third party only if such further fund or collective investment vehicle has an investment policy that is consistent with the investment policy of the Company,
- no investment in companies whose primary business is acquisition or development of real estate,
- no investments in real estate assets, and
- no more than 15% of the Company's NAV to a counterparty in relation to the utilisation of derivatives (including for investment and hedging purposes).

## BORROWING

The Company may borrow (through bank or other facilities) a maximum of 20% of net asset value in aggregate (calculated at the time of borrowing) to seek to enhance returns and for the purpose of capital flexibility and efficient portfolio management. The Company's gearing is expected to primarily comprise bank borrowings but may include the use of derivative instruments and such other methods as the board may determine. The board will review the Company's borrowing policy, in conjunction with the Manager, on a regular basis.

## HEDGING

Fluctuations in interest rates are influenced by factors outside the Company's control, and can adversely affect the Company's results and profitability in a number of ways. The Company's investment in the Fund will be denominated in Euro. The Company may use derivatives, including forward foreign exchange contracts and contracts for difference, to seek to hedge against any currency risk between the currency of the Company's investment in the Fund and pound sterling, the base currency of the Company. Shareholders should note that there is no guarantee that such hedging arrangements will be utilised or, if so, will be successful.

## CASH MANAGEMENT

The Company may hold cash on deposit and may invest in cash equivalent investments, including short-term investments in money market type funds, tradeable debt securities and government bonds and securities ("cash and cash equivalents"). There is no restriction on the amount of cash and cash equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant cash or cash equivalent position instead of being fully or near fully invested. In order to efficiently allocate all of the Company's available funds, the Company may make short- and medium-term investments in relatively liquid assets that are in accordance with the Company's investment policy ("liquid investments"). Such liquid investments may include shares, bonds and other debt instruments issued by companies as well as shares, units or other interests in collective investment schemes, other investment funds, exchange traded funds and fixed income investments. Prior to the full drawdown of the Company's commitment to the Fund, the cash held by the Company will be utilised in accordance with the Company's stated investment policy and cash management policy. The directors, on advice from the Manager, consider that it is the interests of shareholders for the cash held by the Company in respect of its commitment to the Fund to potentially be available for investment in suitable investment opportunities pending drawdown by the Fund.

## Website

The Company's website can be found at <http://www.sureventuresplc.com>. The site provides visitors with Company information and literature downloads.

The Company's profile is also available on third-party sites such [morningstar.co.uk](http://morningstar.co.uk).

## Annual report

Copies of the annual report may be obtained from the Company Secretary or by visiting [www.sureventuresplc.com](http://www.sureventuresplc.com).

## Share prices and net asset value information

The Company's ordinary shares of 1p each are quoted on the London Stock Exchange:

- ISIN: GB00BYWYZ460
- SEDOL: BYWYZ46
- EPIC: SURE

The codes above may be required to access trading information relating to the Company on the internet.

## Electronic communications with the Company

The Company's annual report and accounts, half-yearly reports and other formal communications are available on the Company's website. To reduce costs the Company's half-yearly accounts are not posted to shareholders but are instead made available on the Company's website.

## Whistleblowing

As the Company has no employees, the Company does not have a whistleblowing policy. The audit committee reviews the whistleblowing procedures of the Manager and the Administrator to ensure that the concerns of their staff may be raised in a confidential manner.

## Warning to shareholders – share fraud scams

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way, you will probably lose your money.

## How to avoid share fraud

- Keep in mind that firms authorised by the Financial Conduct Authority are unlikely to contact you out of the blue with an offer to buy or sell shares.
- Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- Check the Financial Services Register from [www.fca.org.uk](http://www.fca.org.uk) to see if the person and firm contacting you is authorised by the Financial Conduct Authority.
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- Use the firm's contact details listed on the register maintained by the Financial Conduct Authority if you want to call it back.
- Call the Financial Conduct Authority on 0800 111 6768 if the firm does not have contact details on the register or you are told they are out of date.
- Search the list of unauthorised firms to avoid at [www.fca.org.uk/scams](http://www.fca.org.uk/scams).
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- Think about getting independent financial and professional advice before you hand over any money.
- Remember: if it sounds too good to be true, it probably is.

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000.

**Report a scam**

If you are approached by fraudsters, please tell the FCA using the share fraud reporting form at [fca.org.uk /scams](https://fca.org.uk/scams), where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters, you should contact Action Fraud on 0300 123 2040.