

Gunsynd plc

Annual Report and Accounts 2021

Company Number: 05656604

CONTENTS

COMPANY INFORMATION	1
CHAIRMAN'S REPORT (INCORPORATING THE STRATEGIC REVIEW)	2
DIRECTORS' REPORT	6
INFORMATION ON THE BOARD OF DIRECTORS	10
CORPORATE GOVERNANCE STATEMENT	11
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUNSYND PLC	16
FINANCIAL STATEMENTS	20
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2021	20
STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021	21
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2021	22
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2021	23
NOTES TO THE FINANCIAL STATEMENTS	24

COMPANY INFORMATION

DIRECTORS	Hamish Harris Donald Strang Peter Ruse	(Executive Chairman) (Executive Director) (Non-Executive Director)
REGISTERED OFFICE	78 Pall Mall, St James's London SW1Y 5ES	
COMPANY WEBSITE	www.gunsynd.com	
COMPANY REGISTRATION NUMBER	05656604 (England and Wales)	
NOMINATED ADVISER AND JOINT BROKER	Cairn Financial Advisers LLP 9th Floor 107 Cheapside London EC2V 6DN	
JOINT BROKER	Peterhouse Capital Limited 3rd floor, 80 Cheapside London EC2V 6EE	
AUDITOR	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD	
SOLICITOR	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW	
BANKERS	Barclays Bank plc 1 Churchill Place London E14 5HP	
REGISTRAR	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen B63 3DA	

CHAIRMAN'S REPORT (INCORPORATING THE STRATEGIC REVIEW)

I am pleased to present the annual report and financial statements for the year ended 31 July 2021. The Company made a profit for the year to 31 July 2021 of £2,012,000 (2020: loss £991,000) after taxation. The Company had net assets of £6,303,000 (2020: £2,470,000) at 31 July 2021, and cash balances of £1,071,000 (2020: £838,000).

Review of Investments

Low 6 Limited ("Low6")

During the period, the Company made an investment in Low6, an influencer-led B2B gamification company for sports franchises around the world. Low6 raised an additional £6.5 million in July 2021 in an over-subscribed pre-IPO fund raising. Its user base continues to increase and it now has over 250,000 users. Low6 is also actively progressing its IPO. Gunsynd holds 6,667 shares (for approximately £200,000) representing approximately 1% of Low6's issued share capital together with a £65,000 convertible loan note.

Rincon Resources Pty Ltd ("Rincon")

Rincon is a Western Australian ("WA") focused gold and base metals exploration company quoted on ASX. It holds the rights to three highly prospective gold and copper projects in WA, with a main focus on the South Telfer Project, covering 50,000-hectares in Paterson province.

The South Telfer Project is approximately 12km south of Newcrest Mining Limited (ASX:NCM) Telfer mine which has produced 27 million ounces of gold since it began operations in 1977. Geophysical and geochemical programmes have been completed, identifying over 40 targets within the asset portfolio. Rincon's committed exploration programme is for a minimum 10,000 drill metres targeting high priority targets. As at 30 September, Rincon had cash of A\$3.4m.

Gunsynd holds 8.9 million shares representing 17.34% of Rincon's issued share capital.

Eagle Mountain Mining Limited ("Eagle Mountain")

Gunsynd holds 2.5 million shares in Eagle Mountain representing approximately 1% of its issued share capital.

Eagle Mountain Mining Limited (ASX:EM2), is a copper focused exploration and development Company with a key objective of becoming a low emission producer at its high-grade Oracle Ridge project in Arizona, USA, to supply the rapidly growing green energy market.

Eagle Mountain remains well funded following the completion of a A\$16m capital raising completed in September 2021. This new capital combined with existing cash will see the Oracle Ridge project comfortably funded to meet all its objectives over the next 12 months.

Rogue Baron Limited ("Rogue Baron")

Rogue Baron PLC (AQSE: SHNJ) is a leading company in the premium spirit sector which listed on the Access segment of the AQSE Growth Market on 12 March 2021. Gunsynd currently holds 21,543,563 ordinary shares in Rogue Baron, representing approximately 25% of the issued share capital. Gunsynd also retains a balance of £111,464 of Convertible Loan Notes consisting of accrued interest.

Rogue Baron announced in June that it had commenced trading on OTCQB Venture Market in the United States. It also announced that month the opening of a new location, called De Rhum Spot, which is three floors with an outdoor patio and is roughly three times the size of Rogue Baron's existing bar, Bin 1301. Bin saw a record sales month during June 2021 which has eased off slightly since then. The Bar produced circa USD 95,000 (approx. £73,000) in unaudited sales over the month. This total was roughly 32% higher than any month ever before Covid.

Rogue Baron's key brand, Shinju Whisky, has seen its distribution footprint expand substantially in 2021. Sales are anticipated to hit over 5,000 cases this calendar year (compared to circa 2,000 in 2020 and 1,000 in 2019). Shinju was also voted best whisky at the 2021 Sante' International Spirit Competition being awarded double gold.

Empress Royalty Corp ("Empress")

On 23 October 2020, Gunsynd invested C\$250,000 (approximately £146,000) into Empress for 1,000,000 ordinary shares representing approximately 1.4% of the share capital at that time.

During the year, Gunsynd disposed of 786,000 Empress shares for CAD\$344,000 (£201,000) and at year end held 214,000 shares which were subsequently disposed in September 2021 for approx. CAD\$67,000 (£37,000).

CHAIRMAN'S REPORT (INCORPORATING THE STRATEGIC REVIEW) CONTINUED

Charger Metals Limited ("Charger")

Charger is a Western Australian ("WA") focused Base metals (Ni,Cu,Co-PGE) and Lithium exploration company which currently holds three highly prospective projects in WA and the Northern Territory ("NT") in Australia. Charger has 85% of the Coates North and 70% interest in the adjacent Coates Ni-Cu-Co-PGE Prospect (WA), 70% interest in the Lake Johnson Lithium and Gold Project (WA) and 70% interest in the Bynoe Lithium and Gold Project (NT).

Charger successfully raised A\$6 million in its IPO capital raising in July 2021, based on which Charger has 50,400,001 shares in issue. Gunsynd currently holds 3,600,000 shares in Charger representing approximately 7.14% of Charger's issued share capital, of which 1,200,000 shares are subject to an escrow period of 24 months following the IPO.

Anglo Saxony Mining Limited ("ASM") to be re-named First Tin Limited ("First Tin")

In March 2021, Gunsynd invested £125,000 in ASM, a public unlisted tin development and exploration company, as part of a wider £6m funding round. ASM plans to establish sustainable tin production and processing from the Tellerhäuser Mine in Saxony, Germany. The Tellerhäuser Mine has a 50-year mining licence granted in 2020 with final permitting well advanced.

The local Erzgebirge area has 800 years of mining history, including the world's oldest School of Mines. The Tellerhäuser mine comes with 150,000m of tunnels and other underground development, approx. 140,000m of historical drilling and 3,000m of channel sampling from past owners of the project. ASM has ambitions to become a sustainable tin producer from a zero-waste mine by carrying out all of its processing and waste to be located in underground voids. The waste material will be stored and treated via water treatment facility in-situ and pumped to a nearby storage plant. ASM is planning to seek admission to the Standard List of the London Stock Exchange during 2022.

Pacific Nickel Limited ("Pacific Nickel")

In August 2020 Pacific Nickel acquired the 85% of Sunshine Minerals Limited ("Sunshine") it did not already own. Sunshine owns 80% of Sunshine Nickel Limited (SNL) which holds prospecting licence tenement PL 01/18 located on the south coast of Santa Isabel Island in the Solomon Islands. The remaining 20% of SNL is owned by local landowners. The Jejevo Nickel Project is located within the PL 01/18 project area. As a shareholder in Sunshine, Gunsynd received 1,262,967 upfront consideration shares and, subject to certain conditions being met, will receive 1,641,856 deferred consideration shares.

In May 2021 Pacific Nickel advised that it had completed the acquisition of an 80% interest in Kolosori Nickel (SI) Limited ("KNL"), a company incorporated in the Solomon Islands. KNL currently owns PL 05/19, which comprises the Kolosori Nickel Project. As a shareholder in KNL, Gunsynd received 682,790 upfront consideration shares. Subject to Pacific Nickel satisfying certain conditions, Gunsynd will receive a further 1,137,984 deferred consideration shares.

Following completion of the acquisition of the 80% interest in KNL by Pacific Nickel, Gunsynd holds no direct interest in KNL but has an interest in 1,945,757 ordinary shares of Pacific Nickel representing approximately 0.8% of Pacific Nickel's current issued share capital.

On 7 October 2021 Pacific Nickel announced it had completed an initial JORC (2012) mineral resource estimate for the Jejevo tenement. The mineral resource estimate was carried out by Mining One Pty Ltd (Mining One) an independent consultant to the Company. The JORC validation drilling program was completed in June 2021 has provided confirmation of historical drilling data. The total mineral resource estimate at Jejevo is 14.42 million tonnes at 1.29 % Ni at a 1.0% Ni cut off.

In October 2021 Pacific Nickel announced that 90 infill holes had been drilled as part of the second stage 151-hole drill program at Kolosori designed to increase the confidence of the existing mineral resource estimate of 5.89Mt at 1.55% Ni at 1.2%. It also announced that it had submitted a Mining Lease Application for the Kolosori Nickel Project to the Solomon Islands Ministry of Mines, Energy and Rural Electrification and had finalised the Environmental and Social Impact Assessment (ESIA) for the project.

Oscillate plc ("Oscillate"; formerly DiscovOre plc)

Oscillate is an investment company listed on the AQSE Growth Market Exchange with the ticker, AQSE: MUSH. Oscillate has a diverse investment policy which covers the identification of opportunities in the natural resource sector, medicinal cannabis and special situations. In April 2021, Gunsynd invested £200,000 into Oscillate being 10 million shares at 2p representing circa 4.5% of Oscillate.

CHAIRMAN'S REPORT (INCORPORATING THE STRATEGIC REVIEW) CONTINUED

Oscillate plc ("Oscillate"; formerly DiscovOre plc) continued

In June 2021, Oscillate subscribed for 21,312,460 shares in Angelfish Investments plc (renamed Igraine plc) representing 24.64% of the issued share capital. Igraine is currently suspended due to audited financial reports not being released. In August 2021, Oscillate acquired 30,000,000 ordinary shares in Psych Capital Limited, representing approximately 10.4% of its issued share capital for a consideration of £300,000. Psych Capital is focused on identifying, funding and building future British and European leaders across psychedelic science and healthcare.

Oyster Oil and Gas Limited ("Oyster")

Due to the delay in the renewal of the exploration licence, the fluid political situation in Madagascar and the ongoing impact of Covid, the holding value of the investment has been written down by £130,000 to £130,000. Gunsynd will update the market as and when material developments occur.

All of our investments are minority investments. Whilst we may offer advice to management of investee companies in this regard, they can, and sometimes do, ignore such advice. Similarly, private companies don't have the disclosure requirements of public companies and are under no obligation to keep us regularly updated. It should be noted that the Company does not operate its investment projects/companies on a day-to-day basis and whilst the Board looks to structure investments in a format where Gunsynd can obtain a high level of oversight (including at board level) and use legal agreements to provide control mechanisms to protect the Company's investments, there is a risk that the operator does not meet deadlines or budgets, fails to pursue the appropriate strategy, does not adhere to the legal agreements in place or does not provide accurate or sufficient information to Gunsynd. Decisions are ultimately made by investee companies not by us.

The level of administrative costs in the year can fluctuate significantly depending on the level of costs in the Company and can fluctuate significantly depending on the level of activity, both with regard to the due diligence work carried out on investments and disposals, and in managing project investments.

Finance Review

As noted above, the Company made a profit for the year of £2,012,000 (2020: loss £991,000) after taxation, which included an impairment charge of financial investments of £130,000 (2020: £716,000) being £130,000 (2020: £96,000) write down in the Oyster investment. The majority of the profit generated was from increases in value of the Company's investment portfolio. The Company had net assets of £6,303,000 (2020: £2,470,000) at 31 July 2021, and cash balances of £1,071,000 (2020: £838,000).

Outlook

The Board is pleased that a number of Gunsynd's private investments completed an IPO during the period at significant premiums to its original entry point, and further looks forward to the anticipated IPO of Low6 and future drill results from Eagle Mountain and Rincon. The Company is still well funded for the foreseeable future. Gunsynd maintains a low fixed cost structure and this will continue through volatile and uncertain conditions across global markets.

The Board is conscious of the ongoing economic dislocation caused by the COVID-19 pandemic. Debate lingers over whether the effects are a temporary hiccup or the harbinger of structural changes. We are far from convinced that the current inflation level is just a blip, hence our positioning towards gold and copper. Copper also benefits from being a key infrastructure metal with the USA and other countries seemingly determined to spend a vast fortune on so called infrastructure. We also believe regardless of how actually environmentally friendly the reality of electric vehicles is (let alone the logistics of everyone charging their cars at once) the dramatic push by governments towards this will be beneficial for nickel and lithium in particular.

Vigilant but enthusiastic is our mantra in the short term. Accordingly, we maintain a level of diversification in our portfolio with positions in natural resources, life sciences and beverages whilst in possession of a healthy cash balance.

The Board continues to look at investments in line with its investment policy as highlighted on its website. This could potentially include increasing a stake(s) in investments already held. Such investment(s) may or may not lead to a reverse takeover.

The Board would also like to take this opportunity to thank shareholders for their continued support.

CHAIRMAN'S REPORT (INCORPORATING THE STRATEGIC REVIEW) CONTINUED

s172 Statement

The Directors continue to act in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefits of the members as a whole.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Company is an early-stage investment company quoted on a minor exchange and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, of the Board's broad and specific intentions and the rationale for its decisions. The Company pays its employees and creditors promptly and keeps its costs to a minimum to protect shareholders funds. When selecting investments, issues such as the impact on the community and the environment have actively been taken into consideration; as is clear from the portfolio set out in the Chairman's report.

The application of the s172 requirements can be demonstrated through the choice of investments made in the year, as described in the Chairman's report, all of which have been chosen to maximise profits for our members, whilst ensuring they meet our requirements on their impact on the local communities and environment.



Hamish Harris

Chairman

22 November 2021

DIRECTORS' REPORT

The Directors present their annual report on the Company and its audited financial statements for the year ended 31 July 2021.

Principal activity

As at 31 July 2021 the principal activity of the Company was that of seeking to invest in and/or acquire companies and/or projects within the natural resources sector, life sciences sector (concentrating on but not being limited to, plant-based nutrition and environmentally friendly alternatives to food sources) and the alcoholic beverage sector, (concentrating on but not being limited to, ingredients used within the production of such beverages including sugar cane, agave, and molasses) which the Board considers, in its opinion, have potential for growth. The Company will consider opportunities in all sectors as they arise if the Board considers there is an opportunity to generate potential value for Shareholders. The geographic focus will primarily be Europe, Australia, the US and the Caribbean, however investments may also be considered in other regions to the extent the Board considers that potential value can be achieved.

Results and dividends

The statement of comprehensive income is set out on page 20 and has been prepared in Pounds Sterling, the functional and reporting currency of the Company.

The Company's net profit after taxation attributable to equity holders of Gunsynd plc for the year was £2,012,000 (2020: loss £991,000).

No dividends have been paid or proposed.

Key Performance Indicators

The Key Performance Indicators ("KPIs") for the Company are listed as follows:

	2021	2020	% Change
Earnings/(loss) per share	0.558p	(1.064)p	N/A
Profit/(loss) before tax	£2,012,000	£(991,000)	N/A
Gain/(loss) on investments	£2,607,000	£167,000	1,461%
Value of financial investments held	£5,124,000	£1,493,000	243%
Cash at bank and in hand	£1,071,000	£838,000	28%

Review of the business and future developments

A full review of the Company's performance, financial position and future prospects is given in the Chairman's Report (Incorporating the Strategic Review).

Directors and their interests

The Directors who served during the year were:

H Harris

D Strang

P Ruse - appointed 6 November 2019

G Garnett - resigned 26 November 2019

The interests of the serving Directors at 31 July 2021 or at date of resignation, in the ordinary share capital of the Company (all beneficially held) were as follows

	31 July 2021			31 July 2020		
	No. shares	No. of options	No. of warrants	No. shares	No. of options	No. of warrants
Hamish Harris	3,161,476	9,764,706	666,666	3,161,476	1,764,706	666,666
Donald Strang	12,820,211	9,764,706	2,333,334	10,820,211	1,764,706	2,123,078
Peter Ruse	4,164,706	6,350,000	500,000	3,164,706	6,350,000	800,000
George Garnett	-	352,941	-	-	352,941	-

Directors' remuneration

The remuneration of the Executive Directors paid during the year was fixed on the recommendation of the Remuneration Committee. The remuneration of the Non-executive Director paid during the year was fixed on the recommendation of the

DIRECTORS' REPORT CONTINUED

Executive Directors. This has been achieved acknowledging the need to maximise the effectiveness of the Company's limited resources during the year.

Fees paid to each Director for the year ended 31 July 2021 are set out in Note 6 to the financial statements.

Substantial shareholdings

Other than as summarised below, the Directors have not been advised of any individual interest, or group or interests held by persons acting together, which at 4 November 2021 exceeded 3% of the Company's issued share capital.

	Number of ordinary shares held	% of issued share capital
Hargreaves Lansdown (Nominees) Limited Des:HLNOM	46,288,354	10.29%
Hargreaves Lansdown (Nominees) Limited Des:15942	39,738,409	8.83%
Pershing Nominees Limited Des:CCCLT	35,590,123	7.91%
Interactive Investor Services Nominees Limited Des:SMKTNOMS	32,384,729	7.20%
Link Market Services Trustees (Nominees)Limited Des:GUNLGCCN	30,000,000	6.67%
Vidacos Nominees Limited Des:IGUKCLT	25,358,838	5.64%
JIM Nominees Limited Des:JARVIS	24,957,209	5.55%
Interactive Investor Services Nominees Limited Des:SMKTISAS	22,456,081	4.99%
Pershing Nominees Limited Des:PERNY	19,665,172	4.37%
Barclays Direct Investing Nominees Limited Des:CLIENT1	18,816,613	4.18%
Hargreaves Lansdown (Nominees) Limited Des:VRA	18,484,317	4.11%

Employees

The Company has only one direct employee.

Creditor payment policy

The policy of the Company is to:

- Agree the terms of payment with suppliers when settling the terms of each transaction;
- Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- Pay in accordance with its contractual and other legal obligations provided suppliers comply with the terms and conditions of supply.

Directors' liability

As permitted by the Companies Act 2006, the Company has purchased insurance cover for the Directors against liabilities in relation to the Company.

Charitable donations

During the period, the Company made no charitable donations (2020: £Nil).

Financial reporting

The Board has ultimate responsibility for the preparation of the annual audited accounts. A detailed review of the performance of the Company is contained in the Chairman's report (incorporating Strategic Review). Presenting the Chairman's report (incorporating Strategic Review) and Director's Report, the Board seeks to present a balanced and understandable assessment of the Company's position, performance and prospects.

Internal control

A key objective of the Directors is to safeguard the value of the business and assets of the Company. This requires the development of relevant policies and appropriate internal controls to ensure proper management of the Company's resources and the identification and mitigation of risks which might serve to undermine them. The Directors are responsible for the Company's system of internal control and for reviewing its effectiveness. It should, however, be recognised that such a system can provide only reasonable and not absolute assurance against material misstatement or loss.

DIRECTORS' REPORT CONTINUED

Events after the reporting period

Events after the reporting period are set out in Note 22 to the financial statements.

Auditor

The Directors will place a resolution before the Annual General Meeting to re-appoint PKF Littlejohn LLP as auditor for the coming year.

Corporate Governance

Gunsynd is committed to undertaking its activities in accordance with the highest international social, environmental and operational standards. For detailed information please refer to the corporate governance statement on page 11.

Risk management

The Directors have in place a process of regularly reviewing risks to the business and monitoring associated controls, actions and contingency plans.

The Company's principal risks and uncertainties, including financial risk management policies, are set out in the Corporate Governance Statement and in Note 18.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the profit for the year ended 31 July 2021. This basis assumes that the company will have sufficient funding to enable it to continue to operate for the foreseeable future and the Directors have taken steps to ensure that they believe that the going concern basis of preparation remains appropriate.

The Company made a profit for the year of £2,012,000 (2020: loss £991,000) after taxation. The Company had net assets of £6,303,000 (2020: £2,470,000) and cash balances of £1,071,000 (2020: £838,000) at 31 July 2020. The Directors have prepared financial forecasts which cover a period of at least 12 months from date that these financial statements are approved to 30 November 2022. These forecasts show that the Company expects to have sufficient financial resources to continue to operate as a going concern.

In forming the conclusion that it is appropriate to prepare the financial statements on a going concern basis the Directors have made the following assumptions that are relevant to the next twelve months:

- in the event that the Company's investments require further funding, sufficient funding can be obtained; and
- in the event that operating expenditure increases significantly as a result of successful progress with regards to the Company's investments, sufficient funding can be obtained.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding. As a junior investment company, the Directors are aware that the Company must go to the marketplace to raise cash to meet its investment plans, and/or consider liquidation of its investments and/or assets as is deemed appropriate. The Company has previously constantly demonstrated its ability to raise further cash by way of completing placings during the prior years, and are confident of further equity fund raising should the company require such cash injection. Therefore, they are confident that existing cash balances, along with the any new funding would be adequate to ensure that costs can be covered.

The Directors are therefore of the opinion that the Company has adequate financial resources to enable it to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The Company's employee can carry out their duties remotely, via the network infrastructure in place. As a result, there was no disruption to the operational activities of the Company during the COVID-19 social distancing and working from home restrictions. All key business functions continue to operate at normal capacity. Within the Company's portfolio are investments that have experienced a slowdown within their own operations during the COVID-19 crisis, however the operating performance of those investments is not expected to have any material impact on the Company's cash flows.

DIRECTORS' REPORT CONTINUED

Statement of directors' responsibilities

Company law requires the Directors to keep reliable accounting records which correctly explain the transactions of the Company, enable the financial position of the Company to be determined with reasonable accuracy at any time and allow financial statements to be prepared. The shareholders have resolved, in accordance with the Companies Act 2006 and the Articles of Association, that the Directors prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

On this basis the Directors have elected to prepare the financial statements for the Company in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

International Accounting Standard 1 requires that accounts present fairly for each financial period the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of accounts'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, Directors are also required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Website publication

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.

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

Additionally, the Directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board of Directors



Hamish Harris

Director

22 November 2021

INFORMATION ON THE BOARD OF DIRECTORS

Hamish Harris – Executive Chairman

Hamish holds a Bachelor of Commerce and has held positions within market risk management at a number of financial institutions including Nomura Group, Deutsche Bank AG and BZW plc in Singapore, Hong Kong and London. Hamish is also a Director on an AQSE listed company. Hamish is a member of both the Audit and Remuneration committees.

Donald Strang – Executive Director

Donald is a member of the Australian Institute of Chartered Accountants and has been in business over 20 years, holding senior financial and management positions in both publicly listed and private enterprises in Australia, Europe and Africa. He has considerable corporate and international expertise and over the past decade has focussed on mining and exploration activities. He is currently also a director of Cadence Minerals plc and a director of an ASX listed company. Donald is a member of both the Audit and Remuneration committees.

Peter Ruse – Non-Executive Director

Peter is a finance professional with over 12 years of extensive experience in Equity Funds Management and Private/Institutional Wealth Management specialising in Mining/Minerals and Industrial related sectors. Peter is a member of both the Audit and Remuneration committees. He is currently also a director of other ASX listed companies.

CORPORATE GOVERNANCE STATEMENT

All members of the Board believe strongly in the value and importance of good corporate governance and in our accountability to all stakeholders including staff, shareholders and clients. In order to meet the requirements of AIM Rule 26 we have chosen to follow the Quoted Companies Alliance's ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies.

As Chairman, I lead the Board and take ultimate responsibility for ensuring that there is absolute clarity in our strategy and our quantitative and qualitative objectives and the collective and individual responsibilities of the Directors.

Importantly my responsibilities include ensuring that the Company maintains its strong values of delivery, integrity, trust, client service and good corporate governance and in so doing deliver value for shareholders over the medium to long term.

In the following statement we give a summary of how our Board and its committees operate and how we are applying the ten principles of the QCA Code.

1. Principle One

Business Model and Strategy

The Board has concluded that the highest medium and long term value can be delivered to its shareholders by the adoption of an investing strategy for the Company. Gunsynd plc is an investing company with a focus to acquire a diverse portfolio of direct and indirect interests in exploration and producing projects and assets in the natural resources sector in addition to seeking any acquisition in other sectors as they arise if the Board considers there is an opportunity to generate potential value for Shareholders. The geographical focus will primarily be Europe, however, investments may also be considered in other regions to the extent that the Board considers that valuable opportunities exist and potential value can be achieved.

2. Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its website, www.gunsynd.com, and via Hamish Harris, Executive Chairman, who is available to answer investor relations enquiries.

3. Principle Three

Considering wider stakeholder and social responsibilities

The Board recognises that the long term success of the Company is reliant upon the efforts of the directors of the Company and its investors, investee companies, regulators and other stakeholders. The Board has regular discussions and meetings with shareholders, regulators and investee companies to ensure that there is close oversight and contact.

For example, the Company conducts AGM each year and other general meetings with shareholders whereby they are able to voice any concerns they have with the Company. These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of the Company. The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

4. Principle Four

Risk Management

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

CORPORATE GOVERNANCE STATEMENT CONTINUED

Activity	Risk	Impact	Control(s)
Financial	Liquidity, market and credit risk Inappropriate controls and accounting policies	Inability to continue as going concern Reduction in asset values Incorrect reporting of assets and/or loss through theft or fraud	Robust capital management policies and procedures The board agrees and signs all annual reports which details accounting policies. Due to size of the company - The board discusses and agrees all payments Audit and Compliance Committee
Covid-19	Affect continuing operations of investee companies	Possible effect on the carrying values of investments	Regular impairment review of all investments and regular interaction with investee companies as appropriate. The health and safety of our staff and associates is of major concern and we have taken steps to mitigate this risk by avoiding face to face meetings and through the greater adoption of video-conferencing services and when absolutely required, socially distanced meetings. This year's AGM format will reflect the current business environment and ongoing risks associated with the COVID-19 pandemic.
Regulatory adherence	Breach of rules	Censure	Strong compliance regime instilled at all levels of the Company
Strategic	Damage to reputation	Inability to secure new capital or investments	Effective communications with shareholders coupled with consistent messaging to potential investees
Management	Management Recruitment and retention of key staff and reliance on small team	Reduction in operating capability	Stimulating and safe working environment Balancing salary with longer term incentive plans

CORPORATE GOVERNANCE STATEMENT CONTINUED

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the Executive Director. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Company financial controller and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

5. Principle Five

A Well Functioning Board of Directors

As at the date hereof, the Board comprised a Chairman, Hamish Harris, an Executive Director, Donald Strang, and one Independent Non-Executive Director, Peter Ruse. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than 3 years. The Directors are considered to be part time but are expected to provide as much time to the Company as is required. The Board elects a Chairman to chair every meeting.

The Board meets formally at least 3 times per annum, but regular contact is maintained to deal with relevant matters as they arise. It has established an Audit Committee and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. The Non-Executive Director is part time and is expected to provide as much time to the Company as is required. The Board considers that this is appropriate given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward. Peter Ruse is considered to be an Independent Director. The Board notes that the QCA recommends a balance between executive and non-executive directors and recommends that there be two independent non-executives. As it has only one independent non-executive director, the Board does not currently fully comply with this requirement and will consider making further appointments as the scale and complexity of the Company grows, which is expected to be when the Company achieves a market capitalisation of over £10 million.

Attendance at Board and Committee Meetings

The Board met 6 times in the period. The remuneration committee met once, and the audit committee met twice during the year.

Meetings

Board	Attendance
Hamish Harris	6
Don Strang	6
Peter Ruse	6
Remuneration Committee	
Hamish Harris	1
Don Strang	1
Peter Ruse	1
Audit Committee	
Hamish Harris	2
Don Strang	2
Peter Ruse	2

6. Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of three Directors. The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of commercial and professional skills across geographies and industries, and each of the Directors has experience in public markets.

The Board recognises that it currently has limited diversity and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required. At this stage due to the current size of the Company this is not seen as a material point.

CORPORATE GOVERNANCE STATEMENT CONTINUED

The Board reviews annually the appropriateness and opportunity for continuing professional development whether formal or informal. Currently each of the Board are involved in financial markets and increase their awareness and skills via reading and participation in commercial transactions from time to time.

Mr Hamish Harris

Chairman and Executive Director

Hamish holds a Bachelor of Commerce and has held positions within market risk management at a number of financial institutions including Nomura Group, Deutsche Bank AG and BZW plc in Singapore, Hong Kong and London. Hamish is also a Director on an AQSE listed company.

Mr Donald Strang

Executive Finance Director

Donald is a member of the Australian Institute of Chartered Accountants and has been in business for over 20 years, holding senior financial and management positions in both publicly listed and private enterprises in Australia, Europe and Africa. He has considerable corporate and international expertise and over the past decade has focussed on mining and exploration activities. He is currently a director of other AIM and ASX companies.

Mr Peter Ruse

Independent Non-Executive Director

Peter is a finance professional with over 12 years of extensive experience in Equity Funds Management and Private/Institutional Wealth Management specialising in Mining/Minerals and Industrial related sectors. Peter is a member of both the Audit and Remuneration committees. He is currently a director of other ASX companies.

7. Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, the Committee and individual Directors is undertaken on an annual basis in the form of discussions. Due to the current size of the Company, these discussions and the criteria for assessment are general and brief.

The annual report details the progress which the board and Company has made for the year.

No succession planning is deemed necessary at this point due to the current size of the Company. Each Director is also assessed by shareholders at AGM on a three year rotating basis when their re-appointment is due.

8. Principle Eight

Corporate Culture

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

A large part of the Company's activities are centred upon what needs to be an open and respectful dialogue with investee companies and investors and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does.

The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

CORPORATE GOVERNANCE STATEMENT CONTINUED

9. Principle Nine

Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Executive Director arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Executive Directors.

Audit Committee

The Audit Committee is comprised of Hamish Harris (Chairman), Peter Ruse and Donald Strang. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee shall meet not less than once in each financial year and it has unrestricted access to the Company's auditors.

Remuneration Committee

The Remuneration Committee is comprised of Hamish Harris (Chairman), Peter Ruse and Donald Strang, excluding whichever relevant Director whose performance, remuneration and employment terms are being discussed. The Remuneration Committee reviews the performance of the executive directors and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

Nominations Committee

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Non-Executive Directors

The Board has appointed a Non-Executive Director.

As stated above, due to the current size of the Company, it is deemed not necessary to appoint further independent non-executive directors until the Company's market capitalisation reaches £8 million.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within its powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement. All matters pertaining to the Company are reserved for the Board. There are no plans at this stage to increase the governance framework until the Company achieves a minimum market capitalisation of £8 million.

10. Principle Ten

Shareholder Communication

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

Investors also have access to current information on the Company through its website, www.gunsynd.com, and via Hamish Harris, Chairman, who is available to answer investor relations enquiries. The Company's website details various information: annual reports, AGM notice of meetings and RNS announcements detailing results of meetings and other relevant information.



Hamish Harris
Director

22 November 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUNSYND PLC

Opinion

We have audited the financial statements of Gunsynd Plc (the 'company') for the year ended 31 July 2021 which comprise the Statement of Comprehensive Income, 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 a review of management's assessment of the going concern, as well as a review of forecast cash projections for a period of 12 months from the date of approval of the financial statements. We have evaluated, challenged and corroborated this information where appropriate, including consideration of the accuracy of historical budgeted financial information.

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

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

Our application of materiality

We apply the concept for materiality in both planning and performing the audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statements areas that are included within the scope of the audit and the extent of the sample sized during the audit.

The materiality applied to the financial statements was £189,000 (2020: £74,000). This was set at 3% of net assets on the basis that it is from these net assets that the company seeks to deliver returns for shareholders, in particular the value of its investments. Performance materiality was set at £151,200, being 80% (2020: £51,800, being 70%) of overall materiality, and the threshold for which we communicate errors to those charged with governance was 5% of overall materiality. Performance materiality was increased to 80% on the basis that this of performance materiality was considered sufficient to ensure material misstatements in the financial statements are identified. Valuation of investments is audited with 100% coverage, and this is the key audit matter within the financial statements. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality was reassessed at the closing stages of the audit, taking into consideration new information which arose. No alterations were made to materiality either during or at the conclusion of the audit.

Our approach to the audit

The scope of our audit was influenced by our evaluation of materiality and our assessment of audit risks. Specifically, we assessed the areas of the financial statements which we deemed to involve significant judgement and estimation by the directors as risks for our audit. This included the carrying value and classification of investments, which we judged to be a key audit matter, as well as the valuation of share-based payments. We designed appropriate procedures to address the risks we identified and for the most significant assessed risk of material misstatement, the procedures performed are outlined in the key audit matters section of our report below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUNSYND PLC CONTINUED

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>Carrying Value and Classification of Investments (Note 11)</p> <p>The financial investments reported in the statement of financial position as at 31 July 2021 of £5,124k consists of equity instruments in both listed and unlisted entities, as well as convertible debt instruments in both listed and unlisted entities. These assets are assessed as the most significant balances in the financial statements and should be recorded at fair value through profit or loss.</p> <p>Given the continuing losses in the underlying entities to which these investments relate, including the delays in advancing developments in the underlying projects, there is a risk that the investment balances cannot be recovered.</p> <p>In addition, there is the risk that financial assets are not classified in accordance with IFRS given the nature of the entity's principle activity, which is to operate as an investment vehicle.</p>	<p>We performed the following procedures to address the risk:</p> <ul style="list-style-type: none"> ▪ Obtained the agreements underpinning the investments to understand the key terms; ▪ Obtained share certificates or other supporting documentation as proof of ownership; ▪ Reviewed the accounting treatment applied by management to ensure investments were appropriately classified in accordance with IFRS; ▪ Reviewed the accounting entries made in respect of fair value adjustments for listed investments and vouched market value to third party sources to ensure basis of valuation was appropriate and fair value adjustments had been recorded correctly; ▪ Discussing the basis for valuation of unlisted investments and corroborating this to relevant supporting documentation; and ▪ Reviewed management's impairment assessment, challenging the assumptions made therein. <p>We consider that that management's judgement in respect of the carrying value and classification of financial investments, including convertible debt, is materially 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUNSYND PLC CONTINUED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the 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 obtained an 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.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from *Companies Act 2006*, *AIM Rules*, *UK tax and employment law*.
- 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:
 - Enquiries of management
 - Review of board minutes
 - Review of RNS publications
 - Review of financial statement disclosures and testing to support documentation where applicable, to assess compliance with applicable law and regulations.
- We also identified the risks of material misstatement of the financial statements due to fraud. We did not consider, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the valuation of unlisted investments and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUNSYND PLC CONTINUED

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
22 November 2021

15 Westferry Circus
Canary Wharf
London E14 4HD

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2021

		2021	2020
	Note	£000	£000
Continuing operations			
Income			
Unrealised gain on financial investments	11	2,371	176
Realised gain/(loss) on financial investments	11	236	(9)
		2,607	167
Administrative expenses			
Salaries and other staff costs	6	(278)	(186)
Other costs	8	(245)	(278)
Share based payment charge	19	(24)	(7)
Total administrative expenses		(547)	(471)
Impairment of financial investments	11	(130)	(716)
Write down of convertible loan notes		(2)	-
Other income	7	26	-
Finance income		58	29
Profit/(Loss) before tax		2,012	(991)
Taxation	9	-	-
Profit/(Loss) for the period attributable to equity shareholders of the Company		2,012	(991)
Other comprehensive income / (expenditure) for the period net of tax		-	-
Total comprehensive income/(expenditure) for the period		2,012	(991)
Profit/(Loss) per ordinary share			
Basic (pence)	10	0.558	(1.064)
Diluted (pence)		0.428	(1.064)

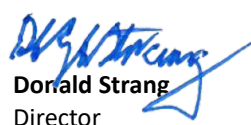
The notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021

		2021	2020
	Note		£000
ASSETS			
Non-current assets			
Financial investments	11	5,124	1,493
Trade and other receivables	12	-	56
Total non-current assets		5,124	1,549
Current assets			
Trade and other receivables	12	174	181
Cash and cash equivalents	17	1,071	838
Total current assets		1,245	1,019
Total assets		6,369	2,568
Current liabilities			
Trade and other payables	13	(66)	(98)
Total current liabilities		(66)	(98)
Total liabilities		(66)	(98)
Net assets		6,303	2,470
Equity attributable to equity holders of the company			
Ordinary share capital	14	382	216
Deferred share capital	14	2,299	2,299
Share premium reserve	14	13,459	11,828
Share based payments reserve		131	192
Retained earnings		(9,968)	(12,065)
Total equity		6,303	2,470

The financial statements were approved and authorised for issue by the Board of Directors on 22 November 2021 and were signed on its behalf by:


Hamish Harris
 Chairman


Donald Strang
 Director

Company number: 05656604

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2021

	Share capital £000	Deferred Share capital £ 000	Share premium reserve £000	Share-based payments reserve £000	Retained earnings £000	Total £000
At 31 July 2019	633	1,729	10,890	205	(11,094)	2,363
Loss for the year	-	-	-	-	(991)	(991)
Total comprehensive income for the period	-	-	-	-	(991)	(991)
<i>Transactions with owners:</i>						
Share split	(570)	570	-	-	-	-
Issue of share capital	153	-	1,016	-	-	1,169
Share issue costs	-	-	(78)	-	-	(78)
Share options issued	-	-	-	7	-	7
Share options lapsed	-	-	-	(20)	20	-
At 31 July 2020	216	2,299	11,828	192	(12,065)	2,470
Profit for the year	-	-	-	-	2,012	2,012
Total comprehensive income for the period	-	-	-	-	2,012	2,012
<i>Transactions with owners:</i>						
Issue of share capital	166	-	1,690	-	-	1,856
Share issue costs	-	-	(59)	-	-	(59)
Share options issued	-	-	-	24	-	24
Share options lapsed	-	-	-	(84)	84	-
Transfer within Equity	-	-	-	(1)	1	-
At 31 July 2021	382	2,299	13,459	131	(9,968)	6,303

Details of the nature of each component of equity are set out in Note 15.

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2021

		2021	2020
	Note	£000	£000
Cash flow from operating activities			
Profit/(Loss) after tax		2,012	(991)
Tax on losses		-	-
Finance income net of finance costs		(58)	(29)
Unrealised (gain)/loss on revaluation of financial investments		(2,371)	(176)
Realised (gain)/loss on sale of financial investments		(236)	9
Share based payment		24	7
Write down of convertible loan notes		2	-
Impairment provision		130	716
Foreign exchange movements		3	7
Changes in working capital:			
Decrease in trade and other receivables		7	45
(Decrease) in trade and other payables		(32)	(28)
Cash outflow from operations		(519)	(440)
Taxation received		-	-
Net cash outflow from operating activities		(519)	(440)
Cash flow from investing activities			
Payments for financial investments	11	(2,143)	(509)
Disposal proceeds from sale of financial investments	11	1,042	154
Repayment of loans to investee company		62	-
Unsecured loans to investee company		(6)	(26)
Net cash (outflow) from investing activities		(1,045)	(381)
Cash flows from financing activities			
Proceeds on issuing of ordinary shares	14	1,856	1,169
Cost of issue of ordinary shares		(59)	(78)
Net cash inflow from financing activities		1,797	1,091
Net increase in cash and cash equivalents	17	233	270
Cash and cash equivalents at the beginning of the year		838	568
Cash and cash equivalents at the end of the year	18	1,071	838

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Presentation of the financial statements

Description of business & Investing Policy

Gunsynd plc is public limited company domiciled in the United Kingdom. The Company's registered office is 78 Pall Mall, London SW1Y 5ES.

The Company's Investing Policy is to invest in and/or acquire companies and/or projects within the natural resources sector, life sciences sector (concentrating on but not being limited to, plant-based nutrition and environmentally friendly alternatives to food sources) and the alcohol beverage sector, (concentrating on but not being limited to, ingredients used within the production of such beverages including sugar cane, agave, and molasses) which the Board considers, in its opinion, have potential for growth. The Company will consider opportunities in all sectors as they arise if the Board considers there is an opportunity to generate potential value for Shareholders. The geographic focus will primarily be Europe, Australia, the US and the Caribbean, however investments may also be considered in other regions to the extent the Board considers that potential value can be achieved.

Where appropriate, the Board may seek to invest in businesses where it may influence the business at a board level, add their expertise to the management of the business, and utilise their industry relationships and access to finance.

The Company's interests in an investment and/or acquisition may range from a minority position to full ownership and may comprise one investment or multiple investments. The investments may be in either quoted or unquoted companies; be made by direct acquisitions or farm-ins; and may be in companies, partnerships, earn-in joint ventures, debt or other loan structures, joint ventures or direct or indirect interests in assets or projects. The Board may focus on investments where intrinsic value may be achieved from the restructuring of investments or merger of complementary businesses.

The Board expects that investments will typically be held for the medium to long term, although short term disposal of assets cannot be ruled out if there is an opportunity to generate a return for Shareholders. The Board will place no minimum or maximum limit on the length of time that any investment may be held. The Company may be both an active and a passive investor depending on the nature of the individual investment. There is no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover under the AIM Rules. The Board intends to mitigate risk by appropriate due diligence and transaction analysis. Any transaction constituting a reverse takeover under the AIM Rules will also require Shareholder approval. The Board considers that, as investments are made and new investment opportunities arise, further funding of the Company may also be required.

Where the Company builds a portfolio of related assets, it is possible that there may be cross holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Board may also offer New Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

Investments may be made in all types of assets and there will be no investment restrictions on the type of investment that the Company might make or the type of opportunity that may be considered. The Company may consider possible opportunities anywhere in the world.

The Board will conduct initial due diligence appraisals of potential business or projects and, where they believe further investigation is warranted, intend to appoint appropriately qualified persons to assist. The Board believes its expertise will enable it to determine quickly which opportunities could be viable and so progress quickly to formal due diligence. The Company will not have a separate investment manager.

Compliance with applicable law and IFRS

The financial statements have been prepared in accordance with the Companies Act 2006 and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and related interpretations, as adopted by the Companies Act.

Composition of the financial statements

The Company financial statements are drawn up in Sterling, the functional currency of Gunsynd plc and in accordance with IFRS accounting presentation. The level of rounding for financial information is the nearest thousand pounds.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 Presentation of the financial statements continued

Accounting convention

The financial statements have been prepared using the historical cost convention, as modified by the revaluation of certain items, as stated in the accounting policies.

Basis of preparation – Going concern

The financial statements have been prepared on a going concern basis. This basis assumes that the company will have sufficient funding to enable it to continue to operate for the foreseeable future and the Directors have taken steps to ensure that they believe that the going concern basis of preparation remains appropriate.

The Company made a profit for the year of £2,012,000 (2020: loss £991,000) after taxation. The Company had net assets of £6,303,000 (2020: £2,470,000) and cash balances of £1,071,000 (2020: £838,000) at 31 July 2021. The Directors have prepared financial forecasts which cover a period of at least 12 months from date that these financial statements are approved to 31 December 2021. These forecasts show that the Company expects to have sufficient financial resources to continue to operate as a going concern.

In forming the conclusion that it is appropriate to prepare the financial statements on a going concern basis the Directors have made the following assumptions that are relevant to the next twelve months:

- In the event that the Company's investments require further funding, sufficient funding can be obtained; and
- In the event that operating expenditure increases significantly as a result of successful progress with regards to the Company's investments, sufficient funding can be obtained.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding. As a junior investment company, the Directors are aware that the Company must go to the marketplace to raise cash to meet its investment plans, and/or consider liquidation of its investments and/or assets as is deemed appropriate. The Company has previously constantly demonstrated its ability to raise further cash by way of completing placings during the prior years, and are confident of further equity fund raising should the company require such cash injection. Therefore, they are confident that existing cash balances, along with the any new funding would be adequate to ensure that costs can be covered.

Consequently, the Directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future and that it remains appropriate for the financial statements to be prepared on a going concern basis.

Financial period

These financial statements cover the financial year from 1 August 2020 to 31 July 2021, with comparative figures for the financial year from 1 August 2019 to 31 July 2020.

Accounting principles and policies

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board and signed on their behalf by Hamish Harris and Donald Strang, and described in Note 2, 'Accounting principles and policies'. Information on the application of these accounting policies, including areas of estimation and judgement is given in Note 3, 'Key accounting judgements and estimates. Where appropriate, comparative figures are reclassified to ensure a consistent presentation with current year information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 Accounting principles and policies

Revenue and other income

Revenue is recognised when persuasive evidence of an arrangement exists, profit has derived from investments or services have been rendered, prices are fixed or determinable and there is a probability that economic benefits will flow to the Company. Realised profits or losses are recognised at the time in which a contract is entered into to sell and investment. Unrealised profits or losses are recognised when the fair value of financial investments is measured at each period end. Other income relates to services provided and is recognised at the time the service is delivered.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors. Further details are set out in Note 5.

Share capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary and deferred shares are classified as equity instruments. The deferred shares have no voting rights and are not eligible for dividends.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Foreign exchange

Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the income statement for the period.

Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 Accounting principles and policies continued

Financial instruments

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair Value through Profit or Loss (FVTPL)

This category comprises in-the-money derivatives and out-of-the-money derivatives where the time value offsets the negative intrinsic value. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments, which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised Cost

These assets comprise the types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses.

During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For the receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset, based on analysis of internal or external information. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Financial investments

Non-derivative financial assets comprising the Company's strategic financial investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. These assets are classified as financial assets at fair value through profit or loss. They are carried at fair value with changes in fair value recognised through the income statement. Where there is a significant or prolonged decline in the fair value of a financial investment (which constitutes objective evidence of impairment), the full amount of the impairment is recognised in the income statement.

Listed investments are valued at closing bid price on 31 July 2021. Unlisted investments that are not publicly traded and whose fair value cannot be measured reliably, are measured at fair value through profit and loss, less impairment

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 Accounting principles and policies continued

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Convertible Loans

Convertible Loans made to companies are classified as financial assets. The embedded derivative asset, relating to a convertible loan where the carrying asset converts into a variable number of shares, is held at "fair value through profit or loss". The carrying value of the loan is measured at fair value through profit and loss.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are accounted for at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account the age of the debt, historical experience and general economic conditions. If a trade debt is determined to be uncollectable, it is written off, firstly against any provisions already held and then to the statement of comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss in accordance with the expected credit loss model under IFRS 9. For trade and other receivables which do not contain a significant financing component, the Company applies the simplified approach. This approach requires the allowance for expected credit losses to be recognised at an amount equal to lifetime expected credit losses. For other debt financial assets the Company applies the general approach to providing for expected credit losses as prescribed by IFRS 9, which permits for the recognition of an allowance for the estimated expected loss resulting from default in the subsequent 12-month period. Exposure to credit loss is monitored on a continual basis and, where material, the allowance for expected credit losses is adjusted to reflect the risk of default during the lifetime of the financial asset should a significant change in credit risk be identified.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 Accounting principles and policies continued

The majority of the Company's financial assets are expected to have a low risk of default. A review of the historical occurrence of credit losses indicates that credit losses are insignificant due to the size of the Company's clients and the nature of its activities. The outlook for the natural resources industry is not expected to result in a significant change in the Company's exposure to credit losses. As lifetime expected credit losses are not expected to be significant the Company has opted not to adopt the practical expedient available under IFRS 9 to utilise a provision matrix for the recognition of lifetime expected credit losses on trade receivables. Allowances are calculated on a case-by-case basis based on the credit risk applicable to individual counterparties.

Trade and other payables

Trade and other payables are held at amortised cost which equates to nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and liquid investments generally with maturities of 3 months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in values.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on disallowed expenses, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Impairment of non-current assets

The carrying values of all non-current assets are reviewed for impairment when there is an indication that the assets might be impaired. Any provision for impairment is charged to the statement of comprehensive income in the year concerned.

Impairment losses on other non-current assets are only reversed if there has been a change in estimates used to determine recoverable amounts and only to the extent that the revised recoverable amounts do not exceed the carrying values that would have existed, net of depreciation or amortisation, had no impairments been recognised.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Key accounting judgements and estimates

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

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

Significant estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities at 31 July 2021 are set out below:

Share Based Payments

The Company issued 19.00 million options over its unissued share capital to the directors during the year to 31 July 2021. (2020:6.35 million)

The fair value of share based payments is calculated by reference to Black Scholes model. Inputs into the model are based on management's best estimates of appropriate volatility, dividend yields, discount rate and share price. During the year, the Company incurred £24,000 share based payment charge (2020: £7,000 charge).

Unlisted investments

The Company is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment. Further details relating to management's assessment of the carrying value of unlisted investments can be found in the Chairman's Report (incorporating the Strategic Review).

Recoverability of receivables

The Company makes assumptions when implementing the forward-looking ECL model under IFRS 9. The model is used to assess material loans receivable for impairment. Estimates are made regarding the credit risk and underlying probability of default in each of the relevant credit loss scenarios. The Directors makes judgements on the expected likelihood and outcome of each of the scenarios and these expected values are applied to the loan balances.

Fair value of convertible loans

The Company makes assumptions when measuring the fair value of convertible loans. At the year end the Company held a balance on its convertible loan with Rogue Baron plc relating to accrued interest. The Directors expect this balance to be repaid in cash and, having considered the valuation and the value of the derivative option to convert, have concluded that the difference is not material. The fair value of the loan is therefore considered to be the same as the carrying value of the loan.

4 New accounting requirements

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 New accounting requirements continued

Adoption of new and revised standards:

During the financial year, the Company has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

Standard	Effective date, annual period beginning on or after
Amendments to IFRS 3 <i>Business Combinations</i>	1 January 2020
Amendments to IAS 1 and IAS 8: <i>Definition of Material</i>	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform	1 January 2020

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective.

Standard	Effective date, annual period beginning on or after
Amendments to IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Noncurrent	Not yet confirmed*
Amendments to IFRS 3 <i>Business Combinations</i>	1 January 2022*
Amendments to IAS 16: Property, Plant and Equipment	1 January 2022*
Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets	1 January 2022*
Annual Improvements to IFRS Standards 2018-2020 Cycle	1 January 2022*
Amendments to IAS 8: Accounting Policies, Changes to Accounting Estimates and Errors	Not yet confirmed*
Amendments to IAS 12: Income Taxes – Deferred Tax arising from a Single Transaction	Not yet confirmed*

*Subject to UK endorsement

The adoption of these standards is not expected to have any material impact on the financial statements of the Company.

5 Segmental analysis

Segmental analysis is not applicable as there is only one operating segment of the continuing business – investment activities. The performance measure of investment activities is considered by the Board to be profitability and is disclosed on the face of the statement of comprehensive Income. The Board will continually review the segmental analysis of the business on an ongoing basis and at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 Information regarding Directors and employees

	2021	2020
	£000	£000
Included within continuing operations		
Fees and salaries	258	183
Social security costs	20	3
	278	186

	2021	2020
	Number	Number
Average number of persons employed by the Company (including Directors) during the year		
Directors	3	3
Administrative staff	1	1
Total	4	4

The compensation of the Directors, in aggregate, was as follows:	2021	2020
	£000	£000
Fees and salaries	235	163
Social security costs	17	1
Post- employment payments to defined contribution pension scheme	2	-
	254	164

Full details of the remuneration of individual directors, including the highest paid director, are set out below:

	Fees and salaries £000	Social security costs £000	Total 2021 £000	Total 2020 £000
Directors				
Mr H Harris	91	6	97	80
Mr D Strang	85	11	96	72
Mr P Ruse ²	59	-	59	23
Mr G Garnett ^{1 & 3}	-	-	-	(4)
	235	17	252	171

¹ appointed 16 January 2018

² appointed 6 November 2019

³ resigned 26 November 2019

No Directors fees have been accrued (2020: £Nil) and £Nil remain unpaid at 31 July 2021 (2020: £3,000).

7 Other income

	2021	2020
	£000	£000
Other fees & services	26	-
Total other income	26	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Profit/(Loss) for the year

The following items have been included in operating profit/(loss):

	2021	2020
	£000	£000
Fees payable to the Company's auditors:		
<i>Audit and assurance services:</i>		
- Audit of parent Company financial statements	18	17
Total auditor's fees	18	17
Analysis of other costs:		
Legal and professional fees	11	1
Foreign exchange losses	7	3
Other general overheads	227	274
	245	278

9 Taxation

	2021	2020
	£000	£000
Taxation charge based on profit/losses for the year	£000	£000
UK Corporation tax	-	-
Deferred taxation	-	-
Total tax expense	-	-

Factors affecting the tax charge for the year:

Profit/(loss) on ordinary activities before taxation	2,012	(991)
Profit/(loss) on ordinary activities at the average UK standard rate of 19% (2019: 19%)	382	(188)
Effect of non-deductible expenses	85	5
Unutilised losses carried forward	(467)	183
Other deductions for tax purposes including prior year losses	-	-
Current tax charge	-	-

As set out in Note 2, the Company has not recognised a deferred tax asset in the financial statements as there is no certainty that taxable profits will be available against which these assets could be utilised.

10 Profit/(loss) per share

Profit/(loss) attributable to ordinary shareholders	2021	2020
---	------	------

The calculation of profit/(loss) per share is based on the loss after taxation divided by the weighted average number of shares in issue during the period:

Profit/(loss) from operations (£000)	2,012	(991)
Total (£000)	2,012	(991)

Number of shares

Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share (millions)	362.57	93.32
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share (millions)	470.73	
Basic profit/(loss) per share (expressed in pence)	0.558	(1.064)
Diluted profit/(loss) per share (expressed in pence)	0.428	

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Financial investments

Financial assets at fair value through profit or loss:	£000	£000	£000	£000
	Level 1	Level 2	Level 3	Total
Fair Value at 31 July 2019 - restated	143	-	1,445	1,588
Additions	193	-	423	616
Fair value changes	176	-	-	176
(Loss) on disposals	(9)	-	-	(9)
Disposal	(154)	-	-	(154)
Impairment provision	-	-	(716)	(716)
Foreign Exchange	(9)	-	1	(8)
Fair Value at 31 July 2020	340	-	1,153	1,493
Additions	1,752	-	504	2,256
Fair value changes	1,468	-	903	2,371
(Loss)/Gains on disposals	352	-	(116)	236
Transfer to level 1	1,542	-	(1,542)	-
Disposal	(1,041)	-	(59)	(1,100)
Impairment provision	-	-	(132)	(132)
Foreign Exchange	-	-	-	-
Fair Value at 31 July 2021	4,413	-	711	5,124

The financial assets splits are as below:

Non-current assets - listed	4,413	-	-	4,413
Non-current assets - unlisted	-	-	535	535
Non-current assets – unlisted convertible loans*	-	-	176	176
Total	4,413	-	711	5,124

*£111,000 of the convertible loans is an unlisted convertible loan held in a listed security.

Gains on investments held at fair value through profit or loss

Fair value gain on investments	2,371	-	-	2,371
Realised gain on disposal of investments	352	-	(116)	236
Net gain on investments held at fair value through profit or loss	2,723	-	(116)	2,607

Level 1 represents those assets, which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs, which are not based on observable market data.

The Directors carried out an impairment review as at 31 July 2021, and determined a further impairment charge of £130,000 (2020: £716,000) was required. £130,000 (2020: £96,000) was required with regard to the Company's investment in Oyster Oil & Gas Ltd as a result of the valuation implied by Oyster's proposed disposal to Sajawin Pty Limited ("Sajawin"). More details regarding the investee companies' progress are detailed within the strategic review.

Financial investments comprise investments in listed and unlisted Companies, of which the listed investments are traded on stock markets throughout the world, and are held by the Company as a mix of strategic and short-term investments. The listed investments have been valued at bid price, as quoted on their respective Stock Exchanges, at 31 July 2021. The market value of the listed investments at 30 September 2021 was circa £4,803,000.

Fair value hierarchy of financial assets at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 Trade and other receivables

	2021	2020
	£000	£000
Non current assets		
Loan to Investee Company	-	56
	-	56
Current assets	2021	2020
	£000	£000
Other receivables	152	157
Prepayments	22	24
	174	181

The carrying value of receivables approximates their fair value.

13 Trade and other payables

	2021	2020
	£000	£000
Amounts due within one year		
Trade payables	23	52
Other creditors	23	26
Accruals and deferred income	20	20
	66	98

14 Share capital and share premium account

	Number of shares	Ordinary share capital £000	Deferred share capital £000	Share premium £000
Share capital issued and fully paid				
At 31 July 2019	6,334,275,841	633	1,729	10,890
Share Split	-	-	-	-
Share Consolidation (1 for 85)	74,520,893	(570)	570	-
Issue of new ordinary shares on 5 June 2020	74,520,893	63	-	421
Issue of new ordinary shares on 1 July 2020	17,786,799	15	-	101
Issue of new ordinary shares on 6 July 2020	71,538,462	61	-	404
Issue of new ordinary shares on 7 July 2020	16,000,000	14	-	90
Less: costs of share placing	-	-	-	(78)
At 31 July 2020	254,367,047	216	2,299	11,828
Issue of new ordinary shares on 19 November 2020	56,606,789	48	-	518
Issue of new ordinary shares on 4 December 2020	56,393,211	48	-	516
Exercise of warrants on 22 December 2020	3,589,743	3	-	44
Exercise of warrants on 26 January 2021	15,384,610	13	-	187
Issue of new ordinary shares on 1 February 2021	15,000,000	13	-	-
Exercise of warrants on 22 February 2021	2,750,000	2	-	53
Exercise of warrants on 15 March 2021	5,128,176	4	-	62
Exercise of warrants on 6 May 2021	16,492,320	14	-	200
Issue of new ordinary shares on 3 June 2021	15,000,000	13	-	-
Exercise of warrants on 1 July 2021	9,084,610	8	-	110
Less: costs of share placing	-	-	-	(59)
At 31 July 2021	449,796,506	382	2,299	13,459

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15 Movements in equity

Share capital represents the nominal value of the amount subscribed for shares. Share premium represents the amount subscribed for shares in excess of their nominal value less costs of subscription. Ordinary shares carry the rights to one vote per share at general meetings of the Company and the rights to share in any distributions of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up. The deferred shares have no voting rights and are not eligible for dividends.

The share-based payment reserve represents amounts arising from the requirement to expense the fair value of share-based remuneration in accordance with IFRS 2 'Share-based Payments'.

Retained earnings are the cumulative net losses recognised in the income statement and other comprehensive income.

Movements on these reserves are set out in the statement of changes in equity.

16 Related party transactions

The Company had the following transactions with related parties:

Name of related party	Relationship	Nature of transaction	Transactions with related party		Amounts owed from related party	
			At 31 July 2021 £000	At 31 July 2020 £000	At 31 July 2021 £000	At 31 July 2020 £000
Rogue Baron	Investee Company	Short term Loan	(56)	56	-	56

Additionally, the Company converted £639,00 of its Convertible Loan to Rogue Baron plc into 22,033,293 ordinary shares in Rogue Baron plc.

Of the total Directors' fees paid detailed in Note 6, £41,000 of the amount paid to H Harris was paid to Marlin Atlantic Finance Ltd, a company which Mr Harris controls, and £50,000 of the amount paid to P Ruse was paid to KGS Consulting Ltd.

Terms and conditions of transactions with related parties

Outstanding balances that relate to trading balances are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

The Company has the outstanding amounts due as at 31 July 2021 as disclosed in the table above. The loans outstanding are included within trade and other receivables, Note 12.

Compensation of key management personnel of the Company

The Company considers the directors to be its key management personnel. Full details of the remuneration of the directors are shown in Note 6.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17 Reconciliation of net cash flow to movement in net funds

	2021 £000	2020 £000
Net funds at beginning of the year	838	568
Increase in cash	233	270
Net funds at end of the year	1,071	838

Analysis of changes in net funds

	At 31 July 2020 £000	Cash Flow £000	At 31 July 2021 £000
Cash and cash equivalents	838	233	1,071
Net funds	838	233	1,071

Significant non-cash transactions

During the year the significant non-cash transactions during the year were as follows:

- £130,000 impairment provision in respect of Oyster Oil & Gas Ltd was expensed through the income statement
- £2,371,000 of unrealised gains in movement in the market value of the Company's listed financial investments were revalued through the income statement

18 Financial instruments and related disclosures

General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company reports in Sterling. Internal and external funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors. The Company does not use derivative financial instruments such as forward currency contracts, interest rate and currency swaps or similar instruments. The Company does not issue or use financial instruments of a speculative nature.

Capital management

The Company's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18 Financial instruments and related disclosures continued

Capital management

The capital structure of the Company consists of total shareholders' equity as set out in the 'Statement of changes in equity'. All working capital requirements are financed from existing cash resources.

Capital is managed on a day to day basis to ensure that all entities in the Company are able to operate as a going concern. Operating cash flow is primarily used to cover the overhead costs associated with operating as an AIM and NEX-listed company.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Directors consider that there is no significant liquidity risk faced by the Company. The Company maintains sufficient balances in cash to pay accounts payable and accrued expenses.

The Board receives forward looking cash flow projections at periodic intervals during the year as well as information regarding cash balances. At the balance sheet date the Company had cash balances of £1,071,000 and the financial forecasts indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to establish overdraft or other borrowing facilities.

Interest rate risk

As the Company has no borrowings, it only has limited interest rate risk. The impact is on income and operating cash flow and arises from changes in market interest rates. Cash resources are held in current, floating rate accounts.

Market risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding its financial investment portfolio in the face of market movements, which was a maximum of £4,994,000 (2020: £1,233,000).

The investments in equity of quoted companies that the Company holds are less frequently traded than shares in more widely traded securities. Consequently, the valuations of these investments can be more volatile.

Market price risk sensitivity

The table below shows the impact on the return and net assets of the Company if there were to be a 20% movement in overall share prices of the financial investments held at 31 July 2021.

	2021	2020
	Other comprehensive income and Net assets	Other comprehensive income and Net assets
	£000	£000
Decrease if overall share price falls by 20%, with all other variables held constant	(883)	(68)
Decrease in other comprehensive earnings and net asset value per Ordinary share (in pence)	(0.002)p	(0.073)p
Increase if overall share price rises by 20%, with all other variables held constant	883	68
Increase in other comprehensive earnings and net asset value per Ordinary share (in pence)	0.002p	0.073p

The impact of a change of 20% has been selected as this is considered reasonable given the current level of volatility observed and assumes a market value is attainable for the Company's unlisted investments.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18 Financial instruments and related disclosures continued

Currency risk

The Directors consider that there is no significant currency risk faced by the Company. The only current foreign currency transactions the Company enters into are denominated in US\$ in relation to transactions with or relating to its loan to Human Brands Inc., and no balances at 31 July 2021 are denominated in foreign currencies.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Company. The Company's maximum exposure to credit risk is:

	2021	2020
	£000	£000
Cash at bank	1,071	838
Other receivables	174	237
	1,245	1,075

The Company's cash balances are held in accounts with Barclays Bank plc, and with its Investment Broker accounts.

Fair value of financial assets and liabilities

Financial assets and liabilities are carried in the Statement of Financial Position at either their fair value (financial investments) or at a reasonable approximation of the fair value (trade and other receivables, trade and other payables and cash at bank).

The fair values are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Trade and other receivables

The following table sets out the fair values of financial assets within Trade and other receivables.

	2021	2020
	£000	£000
Financial assets (Note 12)		
Trade and other receivables - Non interest earning	174	181
Loan to investee company - Non interest earning	-	56
Loan to investee company – interest earning @ 12% p.a.	-	-

There are no financial assets which are past due and for which no provision for bad or doubtful debts has been made.

Trade and other payables

The following table sets out financial liabilities within Trade and other payables. These financial liabilities are predominantly non-interest bearing. Other liabilities include tax and social security payables and provisions which do not constitute contractual obligations to deliver cash or other financial assets.

	2021	2020
	£000	£000
Financial liabilities (Note 13)		
Trade and other payables	66	98

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19 Share schemes

The Company has a share option scheme for all employees (including Directors). Options are exercisable at a price agreed at the date of grant. The vesting period is usually between zero and five years. The exercise of options is dependent upon eligible employees meeting performance criteria. The options are settled in equity once exercised.

If the options remain unexercised after their expiry date, the options expire. Options lapse if the employee leaves the Company before the options vest.

Options issued, cancelled, & outstanding for the year ended 31 July 2021

	Number	Weighted average exercise price
At 31 July 2019	341,618,850	0.08p
lapsed	(10,000,000)	0.22p
Consolidation (1 for 85)	(327,717,451)	
Issued	6,350,000	1.00p
At 31 July 2020	10,251,399	3.06p
Issued	19,000,000	1.00p
Lapsed	(19,046)	446.25p
At 31 July 2021	29,232,353	1.43p
Range of exercise prices		1.00p – 4.25p
Weighted average remaining contractual life		1.91 years

Options outstanding & exercisable at 31 July 2021

Date of grant	Number	Exercise price (p)	Expiry date
7 August 2017	3,529,412	4.25	30/06/2022
12 February 2018	352,941	4.25	11/02/2023
29 July 2020	6,350,000	1.00	29/07/2023
26 August 2020	19,000,000	1.00	26/08/2023
Total	29,232,353		

A modified Black-Scholes model has been used to determine the fair value of the share options on the date of grant. The fair value is expensed to the income statement on a straight-line basis over the vesting period, which is determined annually. The model assesses a number of factors in calculating the fair value. These include the market price on the date of grant, the exercise price of the share options, the expected share price volatility of the Company's share price, the expected life of the options, the risk-free rate of interest and the expected level of dividends in future periods.

For those options granted where IFRS 2 "Share-Based Payment" is applicable, the fair values were calculated using the Black-Scholes model. The inputs into the model were as follows:

	Risk free rate	Share price volatility	Expected life	Share price at date of grant
29 July 2020	0.1%	30.54%	3 years	£0.0079
26 August 2020	1.3%	27.52%	3 years	£0.00875

Expected volatility was determined by calculating the historical volatility of the Company's share price for 12 months prior to the date of grant. The expected life used in the model is the term of the options.

Charges to the statement of comprehensive income

	2021 £000	2020 £000
Share based payment charges	24	7

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19 Share schemes continued

Warrants issued, cancelled, & outstanding for the year ended 31 July 2021

	Number	Weighted average exercise price
At 31 July 2019	-	-
Issued	62,717,950	1.30p
At 31 July 2020	62,717,950	1.30p
Issued	56,500,000	2.00p
Exercised	(49,679,459)	1.30p
Exercised	(2,750,000)	2.00p
Lapsed	(2,064,103)	1.30p
At 31 July 2021	64,724,388	1.88p
Range of exercise prices		1.30p – 2.00p
Weighted average remaining contractual life		0.85 years

Warrants outstanding & exercisable at 31 July 2021

Date of grant	Number	Exercise price (p)	Expiry date
30 June 2020	10,974,388	1.30	30/06/2022
02 December 2020	53,750,000	2.00	02/06/2022
Total	64,724,388		

20 Commitments and contingencies

The Directors have confirmed that there were no contingent liabilities or capital commitments which should be disclosed at 31 July 2021.

21 Ultimate controlling party

There is not considered to be an ultimate controlling party of the company.

22 Events after the end of the reporting period

During the year, Gunsynd partially disposed of 786,000 Empress shares for CAD\$344,000 (approximately £201,000) and at year end held 214,000 shares which were subsequently disposed in September 2021 for approx. CAD\$67,000 (approximately £37,000).