09301329 (England and Wales)

EIGHT CAPITAL PARTNERS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Contents

Company number
09301329 (England and Wales)

Directors
Dominic White, *Chairman*
Martin Groak, *Independent Non-Executive Director*

Company secretary
Martin Groak

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Dear Shareholder

I am pleased to report on the Company's results for the year to 31 December 2020 and the recent developments in the portfolio.

Eight Capital Partners Plc (the "Company", "Eight Capital" or "ECP") is an investment company quoted on the Aquis Stock Exchange Growth Market ("AQSE"), the successor to NEX Exchange Growth Market. At the end of December 2020, our investment portfolio stood at approximately £3.2 million, compared to almost £3.8 million at the end of 2019. This reduction in the portfolio was mainly as a result of two disposals: a bond we invested in for €110,000 maturing and successfully being repaid, plus withdrawing from an investment that was seriously affected by the Covid 19 Pandemic. This latter exit did not incur a loss as the conditions of the acquisition contract provided the Company with appropriate protection.

During the year where the COVID-19 pandemic caused uncertainty and disruption in many businesses, our investment strategy was in "hold" mode and some of our key investments saw delays in their development programmes. Nevertheless, the portfolio itself recorded a positive movement overall of £240,000 – approximately 8%.

As reported last year, we had issued bonds quoted on the Vienna Stock Exchange and as at 31 December 2020, we had bonds in issue to the value of €3.29 million, of which €2.29 million were placed for cash (of which €190,000 during the year) and €1 million issued as part consideration for an acquisition. The Bonds are repayable at the end of July 2022 and carry a 7% annual coupon, payable in two half-year tranches. Epsion Capital, one of our strategic investments, were instrumental in finding investors in our bonds and we expect them to continue to be an important strategic partner going forward.

Operations
There were no Board changes during the year under review and no personnel changes. The Company continues to use third party resources for most of its operations, which has been a particularly helpful strategy during this period of lockdown during the pandemic. As a result, our work has not been disrupted.

Investments
Our declared strategy is to invest in Financial Services including in investing companies, and the technology, media, and telecoms ("TMT") sectors, with the objective of generating an attractive rate of return predominantly through capital appreciation. The portfolio accretion has stayed consistently within those parameters.

Regarding future direction, we strongly believe in the opportunity that the digitisation of financial services brings and in particular the technology that is driving decentralised finance initiatives.

Our view is that we are about to transition from a centralised middleman economy to a decentralised service economy through the implementation of technologies such as blockchain. Financial services may prove to be the most valuable use case for blockchain – we are witnessing the birth of a brand new distributed financial system springing up in parallel and ultimately relacing the traditional finance system which will find it very difficult to compete. This will make banking, borrowing, lending and investing more accessible and cheaper for billions of people.

DeFi or decentralised finance aims to do for finance what the internet has done for so many other businesses – it removes the middleman.

With that optic in mind, as recently announced, we are delighted to welcome David Bull to the Board as a Non-Executive Director. David is a Chartered Accountant and former Bank of England Chief Financial Accountant with a financial services digitisation mindset and who will undoubtedly make a major contribution to the business as it evolves.

Update on the prior year's investments

Finance Partners Group ("FPG"): Financial Services
September 2018 - Investment of €111,100 in 8% corporate bond matured 2020

The bond was successfully repaid in full and all interest instalments were made on time.

August 2019 – Investment of €1.9 million to acquire a convertible receivable of €2m. During the year the Company converted the receivable to equity and currently owns 28.7% of FPG.

The consideration was satisfied by cash of €300,000; short-term convertible loan notes of €600,000 and €1million of Bonds. The vendor was IWEP Ltd, a related party controlled by Dominic White, who converted €113,000 of the convertible loan note to equity in the Company during the year which increased his shareholding to 29.8%.

The intention is to monetise this investment during 2021. A positive return is anticipated.

Supply@Me Capital plc ("SYME"): FinTech (formerly ABAL Group Plc)

October 2018 - Equity investment totalling £250,000 (£160,000 initial equity + £90,000 convertible loan note ("CLN"))

The Company held 22.25 million shares at the year end. Current investment at cost: £244,824. ECP also holds warrants on a one-for-two basis.

In March 2020, ABAL completed a reverse takeover of Supply@ME Capital srl (SYME), an innovative international FinTech Platform which provides inventory monetisation services to European manufacturing and trading companies. This is a high-growth international sector with a multi-trillion-dollar market size. It has acquired a significant number of customers seeking to use the platform, once securitisation agreements with funders have been finalised, the first of which SYME has announced as being imminent. Delays in finalising funding arrangements have had a negative impact on SYME's share price, but it is expected to recover once the first financing scheme becomes operational.

SYME is listed on the Standard List of the London Stock Exchange

Evrima plc ("EVA"): Mining and Exploration Investment (formerly Sports Capital Group "SCG")
December 2018 – Equity investment £138,000 + 1,333,333 warrants

Following significant activity by SCG relating to the purchase and subsequent sale of a football club in Q1 2019 and follow-on deeper analysis of the sports sector in Q2 2019, SCG's management decided to work towards a recapitalisation of the business and move away from the sports sector and return to its previous activity of investing in mining and exploration projects.

During the year, the company renamed itself Evrima plc and instigated a 1-for-10 share swap.

ECP is considering an exit of the investment through the sale of its shares in the public market. The share price is unchanged from the date of initial investment.

Epsion Capital Ltd ("Epsion"): Financial Services
March & November 2019 – Equity investments total £100,000 (March: £3,500 / November £96,500)

Epsion is a boutique financial advisory and investment firm based in London. Its strategy is to expand its financial services activities into Europe, through organic growth or acquisition, and to continue to increase revenue. Its year one achievement was circa £550,000. The full year two (2020) revenue was more than £1m.

The rationale for the original £3,500 investment was to create synergies with Epsion by allowing them to provide advisory services to ECP's investee companies as well as third party clients.

It is currently seeking full regulatory status in order to enable it to extend its activities to continental Europe.

Financial Innovations Team Srl ("FIT"): Financial Services
December 2019 – Equity Investment of €1.2 million – Exited: no profit / no loss.

ECP acquired a 59.9% holding in FIT, which was soon after seriously impacted by the pandemic. As the acquisition contract allowed for the unwinding of the investment, the Company decided that this was the preferential route, as announced to the market on 27 July 2020.

The consideration for this acquisition was satisfied by €350,000 of cash, €450,000 of Bonds and a short-term vendor loan of €400,000. The short-term vendor loan was cancelled and the €450,000 of the Company's Bonds were returned.

As collateral for the €350,000 cash, an option was granted for £1 to acquire a 60% interest in Innovative Finance srl ("InnFin"), an early stage financial services business under the same ownership.

As announced to the market on 10 May this year, following a period of due diligence and an independent valuation, the Board decided to acquire 100% of InnFin, part of the consideration of which is represented by a reimbursement of the €350,000 owed to the Company under the unwinding of the FIT deal.

Greencare Capital Plc ("GRE"): Financial Services Investing
December 2019 – Equity investments totalling £280,000

Two investments, one prior to and one on IPO have given ECP a 21.2% holding in GRE at an average holding price of £0.109 per share. GRE is quoted on AQSE (formerly NEX).

Greencare is focused on the rapidly positively changing regulatory environment surrounding legal Medicinal Cannabis as well as investment opportunities within the Hemp and CBD wellness sectors. This is a high growth international sector.

Greencare was admitted to trading on AQSE on 30 December 2019, raising £515,000 on admission and aims to identify investment opportunities in the medicinal cannabis, CBD and hemp sectors predominantly in Europe. Its team are aware of a number of attractive investment opportunities that they are seeking to execute in the short term.

The Board recognises the significant growth potential in the cannabis sector and has seen extraordinary growth in this area in other regions of the world. This growth is just arriving in Europe and Greencare is one of only a small number of quoted investment companies in Europe ready to take advantage of this opportunity.

At the time of Greencare's flotation, AQSE was the only UK stock market prepared to accept companies in the medicinal cannabis sector. Since then, all other UK stock markets have withdrawn those restrictions and interest in the sector is moving sharply in the positive direction. We are therefore expecting a significant push by Greencare to take advantage of this increased interest. The share price has increased to 31.5 p from 27.5p over the year.

Post year end Greencare replaced its CEO with a corporate finance expert that has strong transaction experience in the cannabis sector. It is expected that he will be able to make a significant contribution towards the growth of the company.

Results

In the year under review, the operational activity was relatively muted but the reduction of legal and professional fees for due diligence was more than compensated by other professional costs incurred through the FIT exit and the Sport Capital redirection. What we were able to do, however, was provide rechargeable services to investees. We were therefore able to reduce our net operating costs, which when coupled with the profit in the portfolio, allowed us to record a significantly smaller operating loss of £196,000 compared to the prior year (£329,000). However, after the finance costs of the Bond, the outcome for the year, a loss of £432,000, is the same as 2019 (loss £432,000).

The Net Assets at the end of the year stood at £0.04 million (2019: £0.3 million), a reflection of the braking effect of Covid-19 on the progress we expected to see - particularly in SYME and Greencare's share prices.

Outlook

2020 was definitely a year of holding and we have great expectations for the next phase of development of the Company as Europe emerges from lockdown, we monetise our first batch of investments, move forward with our renewed focus on digitisation of financial services and fintech opportunities and leverage the many valuable strategic alliances we have formed and continue to form.

Dominic White
Executive Chairman

The Directors present their strategic report for Eight Capital Partners Plc (the "Company") for the year ended 31 December 2020.

Principal Activity

Eight Capital Partners Plc is an investment company quoted on the Aquis Stock Exchange Growth Market ("AQSE"). Its shares were admitted to trading on AQSE on 3 July 2018. In the period prior to that date, the Company was quoted on AIM as a Rule 15 Cash Shell.

The Company's principal activity is to invest in quoted entities in the technology, media, and telecoms ("TMT") and financial services sectors with the objective of generating an attractive rate of return for its shareholders, predominantly through capital appreciation.

The closing price of the Company's shares at 31 December 2020 was 0.025 pence per share (2019: 0.04 pence).

Business Review

The Statement of Comprehensive Income and Statement of Financial Position for the year are set out on pages 19 and 20 respectively. A review of developments affecting the Company during the year and of its prospects for the future appear in the Chairman's Statement on page 2.

Key Performance Indicators

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

	2020	2019	% change
Earnings/(loss) per share (pence)	(0.04p)	(0.07p)	47%

During the year, as the Company was essentially in "holding" mode – neither actively acquiring nor disposing of assets, the Board's prime focus was twofold: first to assist the management teams of our investments wherever possible to advance their business plans and secondly to ensure that the unwinding of the FIT transaction was at worst neutral to the Company's financial position.

From a KPI perspective, the returns on our two most promising quoted investments (Supply@ME Capital Plc and Greencare Capital Plc) have been affected by the pandemic, in that neither reached critical milestones for accelerated growth during 2020, but the Board's expectations for these two businesses in the second half of 2021 are positive. Our two principal unquoted investments (Epsion Capital and FPG) are held at cost and therefore any returns will be recognised either on a liquidity event or a restructuring.

Future developments

The Chairman's Statement on page 2 provides information on the outlook of the Company.

Principal risks and uncertainty

The Company's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The Board is responsible for approving the Company's strategy and determining the appropriate level of risk. The key risks which the Company faces are detailed as follows:

Business and investment performance risk

Business performance risk is the risk that the Company may not perform as expected either due to internal factors or due to competitive pressures in the markets in which they operate. The Company

Principal risks and uncertainty (continued)

Business and investment performance risk (continued)

seeks investments in companies with growth potential. The Directors identify suitable investment opportunities in accordance with its investment strategy.

By their nature, smaller businesses, whether quoted or unquoted, are more volatile than larger, more established businesses and less robust to withstand economic pressures.

The risk is that the Company's investments may encounter circumstances that result in a loss of value which could in turn damage the Company's share price.

The Board is of the view that obtaining timely information on the position of its investments is the most effective management tool and to reduce this risk has put in place monitoring reports on the performance of, and regular dialogue with the boards of the Company's investments.

Valuation risk

Valuation risk is the risk that the value of the investment when made was overstated. The Board seeks to mitigate this risk by conducting due diligence on the history and prospects of investment targets and sourcing independent valuations and opinions. The risk is further mitigated by seeking to invest where there is a high valuation margin (valuation per share compared to price paid per share) and the prospect of early returns.

Market conditions

Market conditions, especially in the context of the COVID-19 pandemic, may have a negative impact on the Company's ability to make investments in suitable entities which generate acceptable returns, or to disinvest in a timely manner such that acceptable returns can be realised.

This risk is mitigated by selecting quoted investments listed on liquid markets and unquoted investments where due diligence has indicated near-term liquidity events.

Foreign exchange

The Company has issued Euro-denominated bonds and has made Euro-denominated investments. This may give rise to exposure to movements in the exchange rate between the Euro and GBP. This risk is mitigated by virtue of the bond liability and invested assets providing a natural hedge and management will seek at all times to mitigate any latent exposure by active currency management. The Company is monitoring matters and seeking advice from foreign exchange specialists as to how to mitigate the risks arising if and when they may occur and would consider using derivates to lock out exposures.

Political and Country Risk – Departure of the UK from the European Union

The Company is quoted in the United Kingdom (UK) and has made investments in entities that operate in the UK and European Union. The Company's Euro investments may be subject to the impact of the UK leaving the European Union in terms of their share price and in turn the value of the Company's investments. As a result, given the ongoing uncertainty surrounding the situation the Company is monitoring matters and will be seeking advice as to how to mitigate the risks arising if and when they may occur.

Promotion of the Company for the benefit of the members as a whole

The Director's believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

Promotion of the Company for the benefit of the members as a whole (continued)

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 in relation to the unwinding of the FIT acquisition at no loss to the Company, including the option to acquire a *quid pro quo* shareholding in Innovative Finance Srl to compensate for the cash element of the original FIT acquisition that would otherwise have been lost. This was considered to be the best route to enhanced longer term shareholder value for existing members.

This strategic report was approved by the board of directors on 29 June 2021 and signed on its behalf by:

Dominic White
Executive Chairman

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2020.

Directors
The Directors of the Company during the year were:

Dominic White	Chairman
Martin Groak	Independent Non-Executive Director

The Directors' biographies can be found on page 13.

Dividends
The Directors do not recommend payment of a dividend for the year ended 31 December 2020 (2019: £nil).

Directors' remuneration
The total remuneration of the Directors for the year was as follows:

	Fees/ Basic Salary £'000	**Paid in Ordinary Shares £'000**	**Total 2020 £'000**	Total 2019 £'000
Dominic White note 1	**90**	**-**	**90**	112
Martin Groak	***28**	**15**	***43**	*21
John Treacy (Resigned 8 Nov 2019)	**-**	**-**	**-**	23
	118	**15**	**133**	156

note 1 Included within the fees and basic salary for 2019 were pension costs of £7,200. There were no pension entitlements for 2020.

*Included in the above are £16,400 in 2020 and £11,700 in 2019, relating to fees incurred by Marker Management Services Limited, a company controlled by Martin Groak.

Pensions
The Company had no pension schemes in place during the period under review. Dominic White is entitled to a contribution to a pension scheme of his choice, by the Company of 12% of his annual salary, subject to certain capital-raising targets having been met. As at 31 December 2020, no provision was recognised (2019: £10,800), as disclosed in Note 14.

Directors' interests

The following Directors had interests in the shares of the holding Company at the end of the year:

	Total 2020 No. of ordinary shares of 0.01p	Total 2019 No. of ordinary shares of 0.01p
Martin Groak note 2	60,143,000	143,000
Dominic White note 3	400,000,000	-

note 2 *Held through Marker Management Services Ltd, a company controlled by Martin Groak*
note 3 *Held through IWEP Ltd, a company controlled by Dominic White*

Option scheme
At 31 December 2020, there were 134,000,000 share options issued to the Directors (2019: none), see Note 17.

Events after balance sheet date
Details of significant events since the balance sheet date are contained in Note 22 to the financial statements.

Future developments
The Chairman's Statement on page 2 provides information on the outlook of the Company.

Financial instruments
Details of the use of financial instruments by the Company are contained in Note 19 to the financial statements.

Substantial shareholdings
As far as the Directors are aware, as at 22 June 2021 the following shareholders are Company Directors or interested in 3% or more of issued share capital of the Company.

Shareholder	Number of Ordinary Shares of 0.25p each	% of Issued Share Capital
Dominic White*	467,669,173	29.90%
Cosmos SICAV Value Added Fund	184,757,658	11.81%
Concreta Srl	155,388,471	9.93%
Jim Nominees Limited	86,825,765	5.55%
Martin Groak **	60,143,000	3.84%
Rajesh Kandeth	52,000,000	3.32%
Fabio Carretta	50,000,000	3.20%

**Held through IWEP Ltd, a company controlled by Dominic White*

***Held through Marker Management Services Ltd, a company controlled by Martin Groak*

Going concern
As at 31 December 2020, the Company had cash of £203,000 and investments of £3,179,000. As an investment business, the Company has limited operating cash flow and is dependent on the performance of its investments and a bond facility of up to circa £4,200,000 (of which £3,000,000 has been utilised to date) for its working capital requirements. Annualised normal running costs of the Company are circa £610,000 including debt service, reduced by rebilling of shared services of approximately £170,000. As at the date of this report, the Company had approximately £240,000 cash at bank and anticipated and near-term divesting revenues of up to £1,720,000, with a further £850,000 earmarked for disinvestment in the first half of 2022.

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 employees 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.

Statement of directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss for that period.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible 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.

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

Statement of disclosure of information to auditors

Each Director in office at the date of approval of this Directors' report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

PKF Littlejohn LLP have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the next Annual General Meeting.

This report was approved by the Board of Directors on 29 June 2021 and signed on behalf of the board by:

Dominic White
Executive Chairman

Board of Directors

As at the date of this report, the Board of Directors consisted of:

Dominic White

Chairman

- Member of the Institute of Financial Analysts.
- 24 years' experience in the investment sector.
- Held Board level investment positions at international institutions including Security Capital European Realty, Henderson Global Investors and Cordea Savills Invest Management.

Martin Groak

Independent Non-Executive Director

- Over 35 years of international business experience.
- Retired Chartered Accountant (ICAEW: 1978-2012).
- Multi-lingual, with a strong background in finance and financial control.
- Broad sectoral experience: oil exploration, energy, mining, logistics and physical trading.
- Formerly a director of five UK publicly listed companies. Currently Non-Executive Director of Tanfield Group plc, an AIM quoted investment company focused on the engineering sector.
- Various Interim CFO positions, including managing the finances of the UK's second-generation nuclear power station fleet.

Opinion

We have audited the financial statements of Eight Capital Partners plc (the 'company') for the year ended 31 December 2020 which comprise the Statement of Other 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 obtaining management's assessment of going concern and associated cash flow forecasts for 12 months from the date of approval of the financial statements. We reviewed the inputs to the cash flow forecast for reasonableness, compared to historic financial information, and stress-tested where appropriate.

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 of materiality both in planning and performing our audit and 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 our audit and the extent of sample sizes during the audit. This is updated accordingly during the fieldwork and completion depending on the adjustments made during the audit.

Company materiality for the period ending 31 December 2020	Basis for materiality
£70,000 (31 December 2019: £19,780)	2% Gross Assets (31 December 2019: 3% of Expenses)

In the prior year, our calculation of materiality was calculated using the loss before tax, which was considered to be the most appropriate benchmark for the company's financial position and performance used by shareholders. In the current period, we believe the most appropriate metric for measuring materiality to be Gross Assets. Eight Capital's business model is to hold investments for a gain. Therefore, the most meaningful balance in the financial statements is deemed to be the Investment balance, which makes up the majority of gross assets in the current year.

The company was audited with a performance materiality of £49,000 (31 December 2019: £14,000). The threshold of items considered to be trivial was £3,500 (31 December 2019: £1,000).

Our approach to the audit
In designing our audit, we determined materiality, and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates such as the share-based payment, intangible asset and inventory valuations.

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

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 matters (continued)

Key Audit Matter	How the scope of our audit responded to the key audit matter
Valuation of investments As at 31 December 2020, the company holds equity investments of £3,179kk (2019: £3,790k. As reported in note 9, these equity investments comprise: • £1,175k of listed investments measured at fair value through profit or loss (FVTPL). These investments are listed on AIM and the AQSE Growth Market; and • £2,004k of unlisted investments which are measured at cost less impairment. There is the risk that investments have not been considered appropriately for impairment in accordance with FRS 102.	• Listed investments - We ascertained the share price from the relevant stock exchange each listed investment is held on and recalculated the value of the investment. • Unlisted investments - We obtained support from management as to how the value carrying value of the investment was deemed to be above its value in use. • We reviewed the disclosures made within the financial statement to ensure compliance with FRS 102. Our findings showed that the Listed investments were valued correctly in line with the live share prices and that the unlisted investments were held at a carrying amount that was below the recoverable amount and no impairments were required.

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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.

Auditor's responsibilities for the audit of the financial statements (continued)

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 detailed discussions with management about and potential instances of non-compliance with laws and regulations. We also selected a specific audit team based on experience with auditing AQSE Growth Market ("AQUIS") listed entities within this industry, of a similar size.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from:
- AQUIS Listing rules
- Companies Act 2006 requirements
- UK GAAP requirements
- 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:
- Making enquiries of management
- Review of Board minutes
- Review of accounting ledgers
- Review of RNS announcements
- We also identified the risks of material misstatement of the financial statements due to fraud. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.

As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: testing over all journals on a risk based approach to identify any unusual transactions that could be indicative of fraud; reviewing accounting estimates for evidence of bias; evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and reviewing transactions through the bank statements to identify potentially large or unusual transactions that do not appear to be in line with our understanding of business operations

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.

Auditor's responsibilities for the audit of the financial statements (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
29 June 2021

15 Westferry Circus
Canary Wharf
London E14 4HD

	Note	2020 £'000	2019 £'000
Administrative expenses		(717)	(543)
Net change in unrealised/realised gains and losses on investments at fair value through profit and loss	9	240	164
Other income		281	50
Operating loss	4	**(196)**	**(329)**
Interest income	6	22	7
Finance expense	6	(258)	(110)
Loss before tax		**(432)**	**(432)**
Taxation	7	-	-
Loss for the financial year		**(432)**	**(432)**
Other comprehensive income for the year		-	-
Total comprehensive loss		**(432)**	**(432)**
Earnings per share (pence) from continuing operations attributable to owners of the Company – Basic & Diluted	8	(0.04)	(0.07)

The notes on pages 24 to 38 form part of these financial statements.

Statement of Financial Position

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Current assets			
Investments	9	3,179	3,790
Trade and other receivables	10	153	73
Cash and cash equivalents		203	420
Total current assets		**3,535**	**4,283**
Total assets		**3,535**	**4,283**
Current liabilities			
Trade and other payables	13	120	135
Borrowings	12	436	338
Provisions	14	-	11
Total current liabilities		**556**	**484**
Non-current liabilities			
Long term bond	11	2,945	3,005
Borrowings	12	-	508
Total non-current liabilities		**2,945**	**3,513**
Total liabilities		**3,501**	**3,997**
Net assets		**34**	**286**
Capital and reserves			
Share capital	15	1,431	1,360
Share premium		2,001	1,895
Share option and warrant reserve	17	11	8
Convertible loan note	18	84	84
Retained earnings		(3,493)	(3,061)
Total equity		**34**	**286**

The financial statements were approved by the Board of Directors on 29 June 2021 and signed on its behalf by:

Dominic White
Executive Chairman

Company number: 09301329

The notes on pages 24 to 38 form part of these financial statements

Statement of Changes in Equity

For the year ended 31 December 2020

	Share capital	Share premium	Share option & warrant reserve	Convertible loan note reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2019	**1,350**	**1,891**	**8**	**48**	**(2,629)**	**668**
Loss for the year	-	-	-	-	(432)	(432)
Other comprehensive income for the year	-	-	-	-	-	-
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(432)**	**(432)**
Issue of shares	10	4	-	(14)	-	-
Issue of convertible loan notes	-	-	-	50	-	50
Total Transactions with Owners	**10**	**4**	**-**	**36**	**-**	**50**
As at 31 December 2019	**1,360**	**1,895**	**8**	**84**	**(3,061)**	**286**
Loss for the year	-	-	-	-	(432)	(432)
Other comprehensive income for the year	-	-	-	-	-	-
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(432)**	**(432)**
Share based payment	-	-	3	-	-	3
Issue of shares	71	106	-	-	-	177
Total Transactions with Owners	**71**	**106**	**3**	**-**	**-**	**180**
As at 31 December 2020	**1,431**	**2,001**	**11**	**84**	**(3,493)**	**34**

The notes on pages 24 to 38 form part of these financial statements.

	2020 £'000	2019 £'000
Cash from operating activities		
Loss before tax	(432)	(432)
Adjustments for:		
Net interest expense /(income)	236	103
Net change in unrealised gains on investments at fair value through profit and loss	(240)	(162)
Share based payment expense	3	-
Provisions	(11)	
Foreign exchange	165	(31)
(Increase)/decrease in trade and other receivables	(81)	(57)
(Decrease)/ increase in trade and other payables	(15)	125
Net cash used in operating activities	**(375)**	**(454)**
Cash flow from investing activities		
Purchase of investments	-	(1,862)
Proceeds on disposal of investments	854	11
Interest income	22	7
Net cash used in investing activities	**876**	**(1,844)**
Cash flows from financing activities		
Proceeds from issue of convertible bond	-	50
Proceeds from issue of shares (net of issue costs)	177	-
Loans received/(cancelled)	(410)	846
(Repayment)/Proceeds from bond issue	(227)	1,841
Finance charges	(258)	(110)
Net cash from financing activities	**(718)**	**2,627**
Net cash flow for the year	**(217)**	**329**
Cash and cash equivalents at beginning of year	420	91
Cash and cash equivalents at end of year	**203**	**420**
Net change in cash and cash equivalents	**(217)**	**329**

The notes on pages 24 to 38 form part of these financial statements.

1. General information

Eight Capital Partners Plc is a public limited company limited by shares and incorporated in England. Its registered office is Kemp House, 160 City Road, London, EC1V 2NX.

The Company's shares are traded on the Aquis Stock Exchange Growth Market under ticker ECP and ISIN number GB00BYT56612.

The Company's objective is to generate an attractive rate of return for shareholders, predominantly through capital appreciation, by taking advantage of opportunities to invest in the financial services and technology, media, and telecoms (TMT) sectors.

2. Accounting policies

Basis of preparation

The financial statements of Eight Capital Partners plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of listed investments at fair value.

The financial statements are presented in Pounds Sterling, which is the Company's presentation and functional currency.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Going concern

As at 31 December 2020, the Company had cash of £203,000 and investments of £3,179,000. As an investment business, the Company has limited operating cash flow and is dependent on the performance of its investments and a bond facility of up to circa £4,200,000 (of which £3,000,000 has been utilised to date) for its working capital requirements. Annualised normal running costs of the Company are circa £610,000, including debt service, reduced by rebilling of shared services of approximately £170,000. As at the date of this report, the Company had approximately £240,000 cash at bank and anticipated ad hoc cost recovery and near-term divesting revenues of up to £1,720,000, with a further £850,000 earmarked for disinvestment in the first half of 2022.

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 employees 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.

2. Accounting policies (continued)

Other income
Other income is derived from recharging to investee companies' certain costs associated with the investment process or recharging for the use of the Company's own resources. It is classified as *other income* on the face of the income statement and is recognised when the Company's right to receive payment is established.

Interest income
Interest on debt securities held at fair value through profit and loss is accrued on a time-proportionate basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts over the expected life of the debt security to its net carrying amount on initial recognition. Interest income is recognised gross of withholding tax, if any.

Interest income on unquoted debt securities is recognised as a separate line item in the statement of comprehensive income and classified within investing activities in the cash flows statement.

Interest payable
Interest payable on both quoted and unquoted debt instruments held at fair value through profit and loss is accrued on a time-proportionate basis, by reference to the principal outstanding and the effective interest rate applicable.

In the case of interest payable on long-term bonds, where a proportion of those bonds is issued to third parties and the balance issued to the Company, interest on the total number of bonds issued must be paid in the first instance to the Paying Agent prior to the due date. The amount of interest relating to the bonds issued to the Company is then remitted back to the Company on the due date. Only the *net interest burden* (the total interest less the amount remitted back to the Company) is recognised in the income statement.

Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period and is the amount of income tax payable in respect of the taxable profit for the year or prior year.

Deferred tax is recognised on all timing difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and labilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Provisions
Where a measurable obligation exists at the accounting date, but which is dependent upon a set of conditions realistically being able to be satisfied, a provision to accommodate that obligation is charged to the income statement and maintained in the balance sheet until such time as the obligation is either crystallised or reversed.

2. Accounting policies (continued)

Financial instruments
The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instrument.

Financial assets
Basic financial assets, including trade and other receivables and Cash and cash equivalents balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised.

The impairment reversal is recognised in profit or loss.

Financial assets for which a fair value can be measured reliably (whether this is an active or non-active market) are measured at fair value with changes in fair value recognised in profit or loss.

Listed investments
The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included as listed investments. Instruments included in quoted investments, which for the Company comprise AIM and AQSE investments. Changes in fair value are recognised in profit or loss.

Unlisted investments
Unlisted investments that are not publicly traded and whose fair value cannot be measured reliably, are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities
Basic financial liabilities include trade and other payables.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within

2. Accounting policies (continued)

Financial liabilities (continued)

one year. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Long-term bonds
Bonds are a form of fixed interest borrowing over a pre-determined period. The Company makes use of tradeable bonds to fund investments in unlisted entities and for general overheads.

The Company issued 5,000 bonds of €1,000 each (the "Bonds") to raise up to €5 million on the Vienna Stock Exchange's multilateral trading facility ("MTF") on 26 July 2019. The principal terms of the Bonds are as follows: - Issue price and redemption at par; - Interest of 7% per annum paid semi-annually in arrears; - Issue date of 26 July 2019 with a redemption date of 26 July 2022.

Bonds that are not issued to third parties remain as issued to the Company for future trading and only those that are issued to third parties are recognised as liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Share Capital
Share Capital consists of two classes of share: ordinary shares and deferred shares.

Both classes of share are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares bestow full rights on shareholders.

On 23 July 2018, each of the existing ordinary shares of 0.25 pence were sub-divided into one new ordinary share of 0.01 pence and one deferred share of 0.24 pence.

The deferred shares do not entitle their holders to receive notice of or to attend or vote at any general meeting of the Company, or to receive any dividend or other distribution. On a return of capital on a winding up or dissolution of the Company, the holders of the deferred shares shall be entitled to receive an amount equal to the nominal amount paid up thereon, but only after the holders of new ordinary shares have received £100,000 per new ordinary share.

The holders of deferred shares are not entitled to any further right of participation in the assets of the Company. The Company shall have the right to purchase the deferred shares in issue at any time for no consideration. As such, the deferred shares effectively have no value. Share certificates were not issued in respect of the deferred shares, and they have not been admitted to trading on the Aquis Stock Exchange Growth Market.

Warrants
Warrants are an option to acquire shares between two future dates at a fixed price. They are occasionally issued to third parties that invest in the Company's equity and are granted at the time of that equity investment.

Accounting policies (continued)

Warrants (continued)
There is a notional cost of the warrants expensed through the income statement in the period in which the warrants are granted, based on the fair value of the option and recalculated for each subsequent accounting period. The fair value itself is determined using the Black-Scholes model.

If the warrant options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Exceptional Items
The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Company.

Convertible Loan Notes
The convertible loan note ("CLN") is a financial instrument that can be converted to share capital at the option of the holder. As, the facility can only be converted to equity at the end of the term or earlier, it has been recognised in equity only, with no liability component.

Cash and cash equivalents
Cash and cash equivalents comprise cash at hand and current balances at banks.

Foreign currencies
Functional and presentation currency
The financial statements are presented in Pounds Sterling, which is the Company's presentation and functional currency.

Transactions and balances
Transactions in foreign currencies are converted into the functional currency on initial recognition, using the exchange rates approximating to those ruling at the transaction dates. At each period end foreign currency monetary items are translated using the rates ruling as of that date. Non-monetary assets and liabilities are not retranslated. All exchange differences are recognised in profit or loss.

3. Critical accounting estimates and judgements
Management makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical judgements in applying the entity's accounting policies
(a) Carrying value of 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

3. Critical accounting estimates and judgements (continued)

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 Strategic Report. Management have concluded that there are no indications of impairment to the value to the unlisted investments following this assessment.

4. Operating loss

The operating loss is stated after charging/(crediting):

	2020 £'000	2019 £'000
Net change in unrealised gains on investments at fair value through profit and loss	(202)	(162)
Commission on placing of bonds	-	117
Corporate finance advice	144	116
Share based payment expense	3	-
Staff costs	129	158
Auditors' remuneration:		
- Audit fees	15	15
- Other taxation services	2	2

The auditor of the Company is PKF Littlejohn LLP, who also provided tax return filing services to the Company in earlier years that were settled in 2019 and 2020.

5. Staff costs

	2020	2019
The average number of persons (including executive directors) employed by the Company during the year:	2	3

	2020 £'000	2019 £'000
Wages and salaries (including directors)	102	137
Directors' fees	16	19
Social security costs	11	2
	129	**158**

Director's remuneration

	2020 £'000	2019 £'000
Salaries and fees	118	156
Other employment costs	11	2
	129	**158**

6. Interest income and expense

	2020 £'000	2019 £'000
Interest income		
Interest income	22	7
	22	**7**
Finance costs		
Other finance expenses	(258)	(110)
	(258)	**(110)**

Other finance expenses relate to the net interest burden to the Company of the 7% bonds issued by the Company on the Vienna Stock exchange during 2019 and described more fully in Note 11 below.

7. Taxation

	2020 £'000	2019 £'000
Analysis of tax charge/(credit) for the period		
Current tax		
UK corporation tax at 19.00%	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	-	-
Deferred tax asset not recognised	(237,927)	(227,144)
Reconciliation of tax charge		
Loss on ordinary activities before taxation	(432)	(432)
Current tax on loss of the year at standard rate of UK corporation tax of 19% (2019 – 19%)	**(82)**	**(82)**
Expenses not deductible for tax purposes	3	7
Income not taxable for tax purposes	(38)	(38)
Losses carried forward	117	113
Tax in the income statement	-	-

The Company has tax losses of approximately £165,287 (2019: £83,204) to carry forward against future profits. The Directors have not recognised a deferred tax asset on the losses to date due to the uncertainty of recovery.

8. Earnings per share

	2020	2019
Earnings (£'000)		
Loss used in calculating basic and diluted earnings:		
Loss for the year	(432,000)	(£432,000)
Number of shares		
Weighted average number of shares for the purposes of basic and diluted earnings per share	1,069,696,174	618,720,310
Loss per share (pence)	(0.04)	(0.07)

The calculation of basic earnings per share of (0.04) pence is based on the loss attributable to equity owners of the Company of £432,000 and on the weighted average number of ordinary shares of 1,069,696,174 in issue during the period. Dilutive instruments are ignored when the overall result is a loss.

9. Investments

The table below sets out the fair value measurements. Categorisation has been determined on the basis of listed or unlisted investments as follows:

	Unlisted Investments £'000	Listed Investments £'000	Total £'000
Fair value at 1 January 2019	**102**	**480**	**582**
Purchase of investments	2,920	342	3,262
Investment disposals	-	(11)	(11)
Fair value gain on investments	-	162	162
Effects of foreign exchange	(205)	-	(205)
Fair value at 31 December 2019	**2,817**	**973**	**3,790**
Investment disposals	(854)	-	(854)
Fair value gain on investments	-	202	202
Effects of foreign exchange	41	-	41
Fair value at 31 December 2020	**2,004**	**1,175**	**3,179**
Gains on investments held at fair value through profit or loss			
Fair value gain on investments		202	202
Realised gain on disposal of investments	6	32	38
Net gain on investments held at fair value through profit or loss	**6**	**234**	**240**

Further Information on each investment can be found in the Chairman's Statement on page 2.

10. Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	142	59
Other receivables	3	7
Prepayments	8	7
	153	**73**

The directors consider that the carrying amount of receivables is not materially different to their fair value.

11. Long-term bonds

	2020 £'000	2019 £'000
Opening balance at 1 January	3,005	-
Bonds issued	176	3,241
Bonds returned	(403)	-
Foreign exchange adjustment	167	(236)
Closing balance at 31 December	**2,945**	**3,005**

The Company launched 5,000 bonds of €1,000 each (the "Bonds") to raise up to €5 million on the Vienna Stock Exchange's multilateral trading facility ("MTF") on 26 July 2019. The principal terms of the Bonds are as follows: - Issue price and redemption at par; - Interest of 7% per annum paid semi-annually in arrears; - Issue date of 26 July 2019 with a redemption date of 26 July 2022.

Bonds that are not issued to third parties remain as issued to the Company for future trading and only those that are issued to third parties are recognised as liabilities. At 31 December 2020 a total of 3,290 (2019: 3,550) Bonds representing a liability of €3,290,000 (2019: €3,550,000) had been issued to third parties and 1,710 (2019: 1,450) Bonds with a par value of €1,710,000 (2019: €1,450,000) were issued to the Company and available to be traded.

Subsequent to year end, a further €700,000 of Bonds have been issued as part of the investment in Innovative Finance Srl discussed further in Note 22.

12. Borrowings

	2020 £'000	2019 £'000
Non-current		
Long-term loans	**-**	**508**
Current		
Short-term loans	**436**	**338**

At 31 December 2019, borrowings comprised of loans received from IWEP Ltd for €600,000 and from DMF RE for €400,000. Both loans accrue interest at a rate of 5% per annum. The repayment dates are June 2021 and November 2020 respectively. As part of the compensation received from the investment in FIT, the €400,000 loan, along with all accrued interest, was waived in the current year.

12. Borrowings (continued)

On 21 May 2020, the Company converted £100,000 of the loan with IWEP Ltd into 400,000,000 new ordinary shares at a price of £0.00025 per share, and on 22 June 2020 the repayment term was extended to at least 6 August 2022. IWEP Ltd is classified as a related party due to sharing a common director, Dominic White.

13. Trade and other payables

	2020 £'000	2019 £'000
Trade payables	7	75
Taxation and social security	16	-
Accruals and other payables	97	60
	120	**135**

14. Provisions

	2020 £'000	2019 £'000
At 1 January	**11**	**3**
(Credited)/Charged to profit and loss	(11)	8
At 31 December	**-**	**11**

The provision was created in 2019 for the potential contribution entitlement due to a Director, that may be payable, to a pension scheme of his choice, subject to the relevant conditions being met. The performance conditions were not met for the year ended 31 December 2020 and the provision was subsequently released.

15. Share capital

Movements in ordinary share capital are summarised below:

	Number of Ordinary Shares of 0.25p	Number of New Ordinary Shares of 0.01p	Nominal value £'000
As at 1 January 2019	**-**	**540,166,760**	**54**
Issue of equity upon conversion of loan note		93,091,058	9
As at 31 December 2019	**-**	**633,257,818**	**63**
Issue of equity		708,000,000	71
As at 31 December 2020	**-**	**1,341,257,818**	**134**

On 21 May 2020, the Company issued new ordinary shares as follows:

- 400,000,000 new ordinary shares were issued to IWEP to convert £100,000 of the vendor loan;
- 242,000,000 new ordinary shares in respect of creditor conversions; and
- 66,000,000 new ordinary shares in respect of subscriptions.

15. Share capital (continued)

Movements in Deferred share capital are summarised below:

	Number of Deferred Shares of 0.24p	Nominal value £'000
As at 1 January 2019	**540,166,760**	**1,296**
Issue of equity upon conversion of loan note	-	-
As at 31 December 2019	**540,166,760**	**1,296**
Issue of equity upon conversion of loan note	-	-
As at 31 December 2020	**540,166,760**	**1,296**

The deferred shares do not entitle their holders to receive notice of or to attend or vote at any general meeting of the Company, or to receive any dividend or other distribution. On a return of capital on a winding up or dissolution of the Company, the holders of the deferred shares shall be entitled to receive an amount equal to the nominal amount paid up thereon, but only after the holders of new ordinary shares have received £100,000 per new ordinary share.

The holders of deferred shares are not entitled to any further right of participation in the assets of the Company. The Company shall have the right to purchase the deferred shares in issue at any time for no consideration. As such, the deferred shares effectively have no value. Share certificates were not issued in respect of the deferred shares, and they have not been admitted to trading on the Aquis Stock Exchange Growth Market.

16. Reserves

The Company's reserves are as follows:

- The share premium represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.
- The share option and warrant reserve arise from the requirement to value share options and warrants in existence at the grant date (see Note 17).
- Convertible loan note reserve represents the equity component of convertible bonds issued by the Company.
- Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

17. Share option and warrant reserve

The share option and warrant reserve are made up as follows:

Warrants

On 26 October 2018 warrants for 52,627,560 shares were issued, which expire on 26 October 2021.

The total expense for the year in respect of the warrants issued was £nil (2019: £nil).

17. Share option and warrant reserve (continued)

Warrants outstanding and their weighted average exercise price are as follows:

	Number	Weighted average exercise price (pence)
Outstanding at 1 January 2019	**52,627,760**	**0.03p**
Issued	-	0.03p
Outstanding at 31 December 2019	**52,627,760**	**0.03p**
Issued	-	0.03p
Outstanding at 31 December 2020	**52,627,760**	**0.03p**

The fair value is estimated as at the issue date using a Black-Scholes model, considering the terms and conditions upon which the warrants were granted. The following table lists the inputs to the model.

	2018
Exercise price (pence)	**0.03p**
Number of warrants	**52,627,760**
Risk free interest (%)	**1.5%**
Dividend yield	**0.0%**
Time to expiration at date of grant (i.e. life of warrants) in years	**3**

Share options

On 21 May 2020 the Company granted 134,000,000 share options to the Company's Directors; 80,000,000 share options were issued to Dominic White and 54,000,000 share options to Martin Groak.

The total expense for the year in respect of the share options issued was £3,000.

Share options outstanding and their weighted average exercise price are as follows:

	Number	Weighted average exercise price (pence)
Outstanding at 1 January 2020	**-**	**-**
Issued	134,000,000	0.025p
Outstanding at 31 December 2020	**134,000,000**	**0.025p**

The fair value is estimated as at the issue date using a Black-Scholes model, considering the terms and conditions upon which the warrants were granted. The following table lists the inputs to the model.

	2020
Exercise price (pence)	**0.025p**
Number of options	**134,000,000**
Volatility	**50%**
Risk free interest (%)	**0.5%**
Dividend yield	**0.0%**
Time to expiration at date of grant (i.e. life of warrants) in years	**2**

18. Convertible Loan Notes

The Company has entered into an agreement which provides a facility for the Company to issue up to £2.5m of Convertible Bonds (the "Bonds") to Cosmos SICAV plc Value Added Fund (the "Investor"). The Bonds will each be valid for twenty-four (24) months (the "Maturity Date") from the date of their issue and will be freely transferrable. The key terms of the Bonds are:

- they will be issued at 95% of their nominal value;
- they can be issued at the Company's election in 50 tranches of £50,000 up to a maximum commitment of £2.5million;
- to the extent issued, each Bond shall carry a coupon of 5%;
- interest is payable at six-monthly intervals, but the Company may, subject to certain conditions, elect to convert any interest due to the Investor into ordinary shares of 0.01 pence each in the Company ("Ordinary Shares") at an issue price of 10 per cent. below the 20 Trading Day average mid-price of the Ordinary Shares (the "Conversion Price")

On the Maturity Date, any Loan Notes issued but not converted, together with any accrued interest, will be mandatorily converted into Ordinary Shares at the Conversion Price. It is a condition of the Bonds that such a conversion will only be valid if it will not result in a Bondholder, or any person acting in concert with such Bondholder holding Ordinary Shares representing voting rights in excess of 29.9 per cent of the Company's entire issued share capital or which would otherwise give rise to the Bondholder being required to make a mandatory offer for the remaining ordinary share capital of the Company pursuant to Rule 9 of the Takeover Code.

On 6 June 2019, the Company converted £13,155.83 of the drawn down convertible bond facility into 93,091,058 ordinary shares.

The facility can only be converted to equity at the end of the term or earlier. More specifically, there is no contractual obligation to pay cash, no obligation to issue a variable number of shares, or a fixed number of shares to settle an instrument whose book value is variable. It has therefore been recognised in equity only, with no liability component.

19. Financial instruments

The Board of Directors attribute great importance to professional risk management, proper understanding and negotiation of appropriate terms and conditions and active monitoring, including a thorough analysis of reports and financial statements and ongoing review of investments made.

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The Board of Directors review and agrees policies for managing the risks as summarised below.

The Company has exposures to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
    - Interest rate risk
    - Currency risk
    - Price risk

The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

19. Financial instruments (continued)

The Company has no interest rate derivative financial instruments (2019: none).

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	2020 £'000	2019 £'000
Financial assets		
Measured at fair value through profit and loss		
Current asset listed investments (see Note 9)	1,175	973
Other receivables	4	7
Measured at cost less impairment		
Current asset investments (see Note 9)	2,004	2,817
Financial liabilities		
Measured at cost less impairment		
Trade payables	7	75
Other payables	113	60

The Company's income, expense, gains and losses in respect of financial instruments are summarised below:

	2020 £'000	2019 £'000
Interest expense		
Total interest expense for financial liabilities	258	110
Fair value gains and losses		
On listed investments measured at fair value through profit and loss	202	162

19. Financial instruments (continued)

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on its investments and cash.

In accordance with the Company's policy, the Board of Directors monitors the Company's exposure to credit risk on an ongoing basis. The credit quality of the investments in equities and debt securities, which are held at fair value and include debt and equity elements, is based on the financial performance of the individual investments and they are not rated.

The Company only deposits its cash with major banking institutions. The risk is therefore considered to be limited.

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 Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least 30 days. The majority of the investments held by the Company are quoted and not subject to specific restrictions on transferability or disposal. However, the risk exists that the Company might not be able to readily dispose of its holdings in such markets at the time of its choosing and also that the price attained on a disposal may be below the amount at which such investments were included in the Company's balance sheet.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company's sensitivity to these items is set out below.

a) Interest rate risk
The Company holds quoted debt securities at fixed rates of interest and is therefore exposed to interest rate risk. The impact of an increase or decrease on interest rates of 100 basis points on cash and deposits, based on the closing balance sheet position over a 12-month period, is considered immaterial.

In addition, the Company has indirect exposure to interest rates through changes to the financial performance and valuation in equity investments in the companies that have issued debt caused by interest rate fluctuations. Short term receivables and payables are excluded as the risks due to fluctuation in the prevailing levels of market interest rates associated with these instruments are not significant and is limited to the Company's investments.

b) Currency risk
The Company's holds Euro denominated investments to the total of €850,000, which expose the Company to the risk that the exchange rate of the Euro against the pound will change in a manner which adversely impacts the Company's net profit and net assets attributable to shareholders. A 10% increase in the Euro exchange rate against the pound would result in an increase in fair value of those bonds of approximately £76,000. A 10% decrease in exchange rates against the pound would have an equal and opposite effect.

19. Financial instruments (continued)

c) *Price risk*

The Company's management of price risk, which arises primarily from quoted and unquoted equity and debt instruments, is through the selection of financial assets within specified limits as approved by the Board of Directors.

For quoted equity securities, the market risk variable is deemed to be the market price itself. A 10% change in the price of those investments would have a direct impact on the statement of comprehensive income and statement of financial position. At 31 December 2020, the effect of such a change in market price would have been approximately £120,000 (2019: £97,000).

20. Related party transactions

Administrative services

During the year, the Company was invoiced £31,400 (2019: £11,700) for administrative services provided by Marker Management Services Ltd, a company controlled by Martin Groak, a director of Eight Capital. Of this amount invoiced, £15,000 was settled by the issue of 60,000,000 ordinary shares in the company at a price of 0.25 pence per share.

Acquisition of a €2 million receivable from Finance Partners Group and conversion to equity

On 7 August 2019 the Company announced the acquisition from IWEP Ltd. ("IWEP") of a €2 million convertible receivable (the "Receivable") from Finance Partners Group SpA ("FPG"), an Italian financial services company that invests in private companies seeking future listings on public markets and whose principal investment was in The AvantGarde Group.

On 21 May 2020, the Company converted £100,000 of the loan with IWEP Ltd into 400,000,000 new ordinary shares at a price of £0.00025 per share.

IWEP is a company connected to Eight Capital Partners' Chairman Dominic White. In August 2019 Dominic White agreed to become a non-executive board member of The Avantgarde Group to monitor the Company's and IWEP's interests.

After the year end, Dominic White paid £16,500 to the company to cover a Debtor relating to 66,000,000 Ordinary shares issued in 2020 which were unpaid at year end.

21. Ultimate controlling entity

There was no single controlling party as at 31 December 2020.

22. Post balance sheet events

- Pursuant to the signing of an option agreement announced on 24 July 2020, which entitled ECP to acquire 60% of Innovative Finance Srl ("InnFin"), a corporate finance advisory business that develops mergers and acquisitions and financing solutions across multiple sectors, primarily in Europe, with access to international transactions, on 10 May 2021, the Company announced to the market that the Board has decided to acquire 100% of InnFin, part of the consideration of which is represented by a reimbursement of the €350,000 owed to the Company under the unwinding of the FIT deal which is currently held in the value of the option.

22. Post balance sheet events (continued)

The initial consideration for the acquisition was €2.45 million and was settled by the payment of €1m in cash, €328,700 of vendor loan at a 5 per cent. interest rate accruing for 24 months ("IF Vendor Loan"), £62,000 (€71,300 at an exchange rate of £1:€1.15) in shares of Eight Capital ("Consideration Shares"), the offset of €350,000 that was owed to Eight Capital by the vendor as part of the Option Agreement, and €700,000 of the Company's listed bonds. The balance of the consideration, being a maximum of €2.45 million, would be settled through an earn-out related to future performance of the acquired business.

In the same announcement on 10 May 2021, the board announced that ECP's Chairman, Dominic White, had agreed to lend €1.1m to the Company by way of a 24 month, unsecured loan, at an accruing interest rate of 5% p.a. ("Term Loan"), to enable the acquisition to proceed and to provide working capital to the Company.

Following the issue of the Consideration Shares, IWEP Ltd ("IWEP"), the Company's largest shareholder, agreed to convert £27,000 (equivalent to €31,050 at an agreed rate of £1: €1.15) of its outstanding vendor loan ("IWEP Vendor Loan") into 67,669,173 new ordinary shares ("Conversion Shares") at a price of 0.039p per share ("Conversion"). IWEP Ltd is a company controlled by Dominic White, ECP's Chairman.

- On 24 June 2021 the Company announced the appointment of David Bull as Non-Executive Director.