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**Marwyn Acquisition Company plc**

**(the "Company")**

**Publication of Annual Report & Financial Statements for the year ended 30 June 2022**

The Company announces the publication of its results for the year ended 30 June 2022.

The Annual Report & Financial Statements are also available on the 'Shareholder Documents' page of the Company's website at [www.marwynacplc.com](http://www.marwynacplc.com).

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**MARWYN ACQUISITION COMPANY PLC**

Annual Report and Audited Consolidated Financial Statements  
For the year ended 30 June 2022

**CHAIRMAN'S STATEMENT AND STRATEGIC REPORT**

I present to shareholders the Annual Report and Consolidated Audited Financial Statements (the "**Financial Statements**") of Marwyn Acquisition Company plc (the "**Company**") for the year ended 30 June 2022, consolidating the results of the Company and its subsidiary WHJ Limited (collectively the "**Group**" or "**MAC**").

**Strategy**

Marwyn Acquisition Company plc is listed on AIM of the London Stock Exchange and was established to provide shareholders with attractive total returns achieved through capital appreciation. The Directors believe that opportunities exist to create significant value for shareholders through properly executed, acquisition-led growth strategies, in the industrials, manufacturing, engineering, construction, building products or support services sectors. The investment policy is included in full on the Company's website at <https://www.marwynacplc.com/investors/investment-policy/default.aspx>.

**Overview of the Year**

During the year, the Company has primarily focussed on the progression of various discussions with potential industry leading executives and management teams ("**Management Partners**") and with potential acquisition opportunities across a range of different sectors that the Directors believe offer the best opportunities for attractive acquisitions and future value creation. This has involved performing

detailed due diligence on prospective Management Partners' experience and track records, as well as desktop and third-party research into specific sectoral opportunities which have been identified that relate to the sectoral experience of potential Management Partners.

### Outlook

The Directors believe that the recent decline in certain sector valuations is likely to continue over the short term as a result of ongoing macroeconomic and geopolitical uncertainty, and as a result may provide opportunities for more attractively priced platform assets. In combination with this, the Directors have made good progress with identifying potential Management Partners who share in this outlook, and the Directors look forward to updating shareholders in due course.

### Results

The Group's loss after taxation for the year to 30 June 2022 was £0.4 million (2021: £0.7 million). The Group incurred £0.4 million of administrative expenses during the year (2021: £0.7 million), received interest of £nil (2021: £1k) and at 30 June 2022 held a cash balance of £4.8 million (2021: £5.2 million).

### Dividend policy

It is the Board's policy that prior to the acquisition or investment in a trading entity, no dividends will be paid. The Company has not yet acquired a trading operation and we therefore consider it inappropriate to make a forecast of the likelihood of any future dividends. Following an acquisition or investment, and subject to the availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and commercially prudent to do so.

**James Corsellis**  
Chairman  
8 September 2022

## GOVERNANCE - REPORT OF THE DIRECTORS

The Directors present the Financial Statements for the year ended 30 June 2022.

### Principal Activities

The Company's strategy is to acquire a platform trading asset in the industrials, manufacturing, engineering, construction, building products or support services sectors.

We believe that opportunities exist to create value for shareholders through a properly executed, acquisition-led strategy in one of these sectors. We may either seek to recruit sector-leading Management Partners in advance of an acquisition, or alternatively may consider identifying acquisition opportunities with impressive incumbent management teams that require a catalyst to unlock growth.

### Results and Dividends

For the year to 30 June 2022, the Group's loss was £0.4 million (2021: £0.7 million).

It is the policy of the Company's board of Directors (the "**Board**") that prior to the acquisition or investment in a trading entity, no dividends will be paid. Following this, and subject to the availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and commercially prudent to do so.

### Statement of Going Concern

The Financial Statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future. The Group had cash resources of £4.8 million at 30 June 2022 and had net assets of £4.9 million. The Directors have considered the financial position of the Group and have reviewed forecasts and budgets for a period of at least 12 months following the approval of the Financial Statements. Subject to the structure of any potential transaction, the Company may need to raise additional funds for the acquisition in the form of equity and/or debt, which has not been factored into the Director's going concern assessment as this will be dependent on the size and nature of a future acquisition. Furthermore, the Directors have considered the ongoing impact of the Covid-19 pandemic, conflict in Ukraine and current macro-economic factors on the Group's forecast cashflows and liabilities, concluding that prior to completing a transaction, these have no material impact on the Group due to the nature of its operations. As a result, the Directors have concluded that, at the date of approval of the Financial Statements, the Company and the Group have sufficient resources for the foreseeable future and can continue to execute its stated strategy. Accordingly, it is appropriate to adopt the going concern basis in the preparation of the Financial Statements.

## Financial Risk Profile

The Group's financial instruments are mainly comprised of cash, payables and receivables that arise directly from the Group's operations. Details of the risks relevant to the Group are included on pages 37 to 41.

## Substantial Shareholdings

The Company has been notified that the shareholders listed below held a beneficial interest of 3 per cent. or more of the Company's issued share capital as at the date of approval of the Financial Statements.

	Ordinary Shares Held	Percentage of Issued Share Capital
Marwyn Investment Management LLP	639,685,278	95.36%

## Stated Capital

Details of the stated capital of the Company during the year are set out in note 14 to the Financial Statements.

## Directors

The Directors of the Company who served during the period are:

### James Corsellis, Executive Chairman

James brings extensive public company experience as well as management and corporate finance expertise across a range of sectors and an extensive network of relationships with co-investors, advisers and other business leaders.

Previously he has served as a director of the following companies: a non-executive director of BCA Marketplace from July 2014 to December 2017 and Advanced Computer Software from October 2006 to August 2008, non-executive chairman of Entertainment One from January 2007 to March 2014 and remaining on the board as non-executive director until July 2015, non-executive director of Breedon Aggregates from March 2009 to July 2011 and as CEO of icollector Plc from 1994-2001 amongst others. James was educated at Oxford Brookes University, the Sorbonne and London University.

James is a Managing Partner of Marwyn Capital LLP and Marwyn Investment Management LLP. James is the Chairman of MAC Alpha Limited, and Marwyn Acquisition Company III Limited and a Director of Marwyn Acquisition Company II Limited. James is also an executive director of Silvercloud Holdings Limited.

### Mark Brangstrup Watts, Executive Director

Mark has many years of experience deploying private equity investment strategies in the public markets. Mark brings his background in strategic consultancy to the management team having been responsible for strategic development projects for a range of international companies including Ford Motor Company (US), Cummins (Japan) and 3M (Europe).

Previously Mark has served as a director of the following companies: a non-executive director of Zegona Communications Plc from January 2015 to May 2020, BCA Marketplace from July 2014 to December 2017, Advanced Computer Software from October 2006 to September 2012, Entertainment One from June 2009 to July 2013, Silverdell Plc from March 2006 to December 2013, Inspicio Holdings Limited from October 2005 to February 2008 and Talarius Limited September 2005 to February 2007 amongst others. Mark has a BA in Theology and Philosophy from King's College, London.

Mark is a Managing Partner of Marwyn Capital LLP and Marwyn Investment Management LLP and director of AdvancedAdvT Limited, MAC Alpha Limited, Marwyn Acquisition Company II Limited and Marwyn Acquisition Company III Limited. Mark is also an executive director of Silvercloud Holdings Limited.

### Sanjeev Gandhi, Non-Executive Director (appointed 24 May 2022)

Sanjeev has managed change, innovation and growth as a Chair, non-executive and executive director in the media and technology, consumer, investment management and social impact sectors. Following an early career as a consultant with the Telecoms Strategy and Policy Group at Coopers & Lybrand and at the BBC as Head of Strategic Development, Sanjeev became one of the first employees of Yahoo! Europe in early 1998 where he led strategy and distribution and was a key member of the first management team and European board.

In 2003, as the son of immigrant parents Sanjeev was inspired to create Reach to Teach, an innovative charity providing primary education for some of the world's most under privileged communities in rural India. In 2008 Larry Ellison, the founder of the software giant Oracle, became his co-founder describing Reach to Teach as 'the most incredible initiative changing the lives of tens of thousands of children'.

Sanjeev is currently a trustee at the Fidelity Foundation where he oversees investments and stewardship. Until December 2021 he was a non-executive director of the England & Wales Cricket Board where he oversaw the launch of the new '100' super league. Sanjeev also chaired the Eden Project until the end of 2020 through a time of enormous change.

## Directors' Interests

The Directors have no direct interests in the Ordinary Shares of the Company. James Corsellis and Mark Brangstrup Watts have interests in the participation shares, as detailed in note 17 to the Financial Statements.

James Corsellis and Mark Brangstrup Watts are managing partners of Marwyn Investment Management LLP which manages the Marwyn Fund that beneficially owns 95.36 per cent. of the issued share capital of the Company as at 30 June 2022. James Corsellis and Mark Brangstrup Watts are also managing partners of Marwyn Capital LLP, a firm which provides corporate finance and managed services support to the Group. Details of the related party transactions which occurred during the period are disclosed in note 18.

Save for the issue of participation shares as disclosed in note 17, no Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group. There were no loans or guarantees granted or provided by the Company and/or any of its subsidiaries to or for the benefit of any of the Directors.

#### **Directors' Emoluments**

Directors' emoluments during the year are disclosed on page 17.

#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Jersey law and International Financial Reporting Standards ("IFRS"), of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 (Jersey) Law, 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Independent Auditor**

Baker Tilly Channel Islands Limited ("BTCL") were appointed as the Company's independent auditor during the year. BTCL has expressed its willingness to continue to act as auditor to the Group, a resolution in relation to their appointment will be put to shareholders at the next Annual General Meeting.

#### **Disclosure of Information to Auditor**

Each of the Directors in office at the date the Report of the Directors is approved, whose names and functions are listed in the Report of the Directors confirm that, to the best of their knowledge:

- the Group Financial Statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Group;
- the Report of the Directors includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces;
- so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

On behalf of the Board

#### **James Corsellis**

Chairman  
8 September 2022

## Overview

The Directors recognise the importance of sound corporate governance commensurate with the size and current nature of the Company. The Company has adopted the Quoted Companies Alliance Corporate Governance Code ("**QCA Code**" or the "**Code**") and established an Audit and Risk Committee and Nomination and Remuneration Committee.

The Company is led by its Executive Chairman James Corsellis, Independent Non-Executive Director Sanjeev Gandhi (appointed 24 May 2022) and Executive Director Mark Brangstrup Watts, who are highly experienced and knowledgeable and are considered to be best placed to lead the Company at this particular time as the Company pursues the identification and execution of an acquisition or investment in a trading entity and the appointment of Management Partners. The biographies of the Directors are detailed [on](#) pages 4 and 5. The Company's Chairman has responsibility for leading the Board effectively and overseeing the Company's corporate governance model.

Based on the current composition of the Board and the nature of the Company's ongoing activities, the Board have implemented simplified corporate governance arrangements to best meet the needs of the business at this time. The Directors are committed to maintaining the appropriate levels of corporate governance for the nature and extent of the activities of the Company and will therefore revisit the corporate governance arrangements as the business further evolves.

The membership of the board committees during the year was as follows:

<b>Audit and Risk Committee</b>	<b>Nomination and Remuneration Committee</b>
Mark Brangstrup Watts (Chairman until 24 May 2022, and subsequently a member of the committee).	Mark Brangstrup Watts (Chairman until 24 May 2022, and subsequently a member of the committee).
James Corsellis (member of the committee until 24 May 2022).	James Corsellis (member of the committee until 24 May 2022).
Sanjeev Gandhi (appointed as Chairman of the committee effective 24 May 2022).	Sanjeev Gandhi (appointed as Chairman of the committee effective 24 May 2022).

The Directors are aware that Committee composition should differ to that of the Board and where possible should consist of a majority of independent directors. The Directors are committed to re-considering the Board and Committee composition as the nature and activities of the Company evolves.

The purpose of this report is to broadly set out how the Company complies with the QCA Code and explain the areas of non-compliance (see the 'Deviations from the Code' section below). The Company provides a detailed assessment of its compliance with the Code on its website <https://www.marwynacplc.com/investors/Corporate-Governance/default.aspx> and will continue to provide updates on its compliance with the QCA Code via the website and in each annual report.

Detail on the Company's strategy is included on page 2 and the Group's principal risks are described on pages 37 to 41

## Board and Committee updates

On 24 May 2022, Sanjeev Gandhi was appointed as Independent Non-Executive Director and chairman of the Audit and Risk Committee and Nomination and Remuneration Committee. The appointment of Sanjeev Gandhi strengthens the corporate governance arrangements of the Company.

The Company is currently pursuing its investment strategy, which is set out on page 2, and it is believed that the current Directors experience makes them best placed to lead the Company in identifying, evaluating and completing its initial acquisition and the appointment of Management Partners.

The Director's biographies are detailed on pages 4 and 5 of these Financial Statements.

The strategy of the business will be refined once a sector leading Management Partner, or an acquisition opportunity with an impressive incumbent management team is identified and the Directors are committed to further re-considering the Board and Committee composition at that time.

## Board Interaction

The Board meets formally at least four times a year, but the Directors also regularly meet on an informal basis. The Chairman is primarily responsible for the running of the Board. The Board understands that it is critical for Board meetings to be well managed and balanced in order for the business to successfully deliver and achieve its strategy. The Chairman is responsible for the Board meeting agenda, which, for periodic meetings, is agreed in advance of each Board meeting and prepared based on the board annual agenda cycle. For ad hoc meetings this is agreed in advance and published as soon as practicable. Board packs are circulated to the Board in advance of each meeting and capture all ongoing corporate governance requirements. The Board is presented with papers to support its discussions including timely financial information, investor relations information, subsidiary management reporting and details of potential acquisition targets and deal progress.

The Group's culture is to openly and frequently discuss any important issues both at and outside of formal

meetings.

All Board members have full access to the Group's advisers for seeking professional advice at the Company's expense.

### Board Attendance

	Formal Board meetings		Ad hoc Board meetings	
	Held	Attended	Held	Attended
<b>Mark Brangstrup Watts</b>	3	3	1	1
<b>James Corsellis</b>	3	3	1	1
<b>Sanjeev Gandhi (appointed 24 May 2022)</b>	-	-	-	-

### Deviations from the Code

One of the ten principles of the QCA Code is to maintain the board as a well-functioning, balanced team led by the chair. To achieve this principle, the QCA Code requires a balance between executive and non-executive Directors and at least two independent non-executive directors to be in place. The Company deviates from the QCA Code in this respect, as the Company's Board currently consists of two Executive Directors and one Independent Non-Executive Director. The Board believes that the Board composition is appropriate for the Company's current operations and provides an appropriate mix of experience, expertise and skills to support the business of the Group in its current form. The Board remains committed to reviewing its composition to ensure it remains appropriate as the Company's operations evolve.

The QCA Code states that companies should have in place a board evaluation process based on clear and relevant objectives. The Directors consider that the board is not yet of a sufficient size for a full board evaluation to make commercial and practical sense. In frequent Board meetings and calls, the Directors can discuss any areas where they feel a change would be beneficial for the Company, and the Company Secretary and specialist external advisers remain on hand to provide impartial advice. As the Company grows, it intends to expand the composition of the Board and, with this expansion, intends to establish a formal board effectiveness review.

### Board Committees

The Board established two principal committees, the Audit and Risk Committee and the Nomination and Remuneration Committee (the "**Committees**"), to assist the Board in the execution of its duties. If the need should arise, the Board may set up additional committees as appropriate. The Committees' terms of reference are available on the Company's website, [www.marwynacplc.com](http://www.marwynacplc.com), or by request from the Company Secretary. Each of the Committees is authorised, at the Company's expense, to obtain legal or other professional advice to assist in carrying out its duties. No person other than a Committee member is entitled to attend the meetings of these Committees, except by invitation of the Chairman of that Committee. The Company's auditors BTCI are invited to attend meetings of the Audit and Risk Committee as appropriate.

Mark Brangstrup Watts stepped down as chairman of the Committees on 24 May 2022 and was replaced by Sanjeev Gandhi. Mark Brangstrup Watts remains a member of the Committees and James Corsellis resigned from his position as a member of the Committees on 24 May 2022. The Directors are aware that Committee composition should differ to that of the Board and where possible should consist of a majority of independent directors. The Directors are committed to re-considering the Board and Committee composition as the nature and activities of the Company evolves.

For the year ended 30 June 2022 the following committee meetings were held:

	Audit and Risk Committee meetings		Nomination and Remuneration Committee meetings	
	Held	Attended	Held	Attended
<b>Mark Brangstrup Watts</b>	3	3	2	2
<b>James Corsellis</b>	3	3	2	2
<b>Sanjeev Gandhi</b>	-	-	-	-

The Audit and Risk Committee report and Nomination and Remuneration Committee report are included on pages 15 and 16 respectively of these Financial Statements.

The Company also recognises the importance of having systems and procedures in place to ensure compliance by the Board, the Company, and its applicable employees in relation to dealings in securities of the Company and the management of inside information in accordance with the UK market abuse regime ("**UK MAR**"). The Board has established a Disclosure Committee, which currently consists of Mark Brangstrup Watts and James Corsellis and has adopted a share dealing code for this purpose. The Directors believe that these procedures and policies adopted by the Board are appropriate for the Company's size and complexity and that it complies with UK MAR.

### Board Diversity

The Board considers diversity to be much broader than the traditional definition which focuses on, amongst other things: race, gender, age, beliefs, disability, ethnic origin, marital status, religion and sexual orientation. Productive Board discussions require a breadth of experience and perspectives achieved

through hiring board members with diverse experience. Board directors shall be appointed in order to bring required skills, knowledge and experience and are expected to positively impact the chemistry and dynamics of the Board.

The appointment of Sanjeev Gandhi expands the experience and expertise of the Board. Sanjeev has held non-executive and director positions across the media, technology, consumer, investment management and social impact sectors. Sanjeev is the son of immigrant parents, which was the inspiration to create Reach to Teach, an innovative charity providing primary education for some of the world's most under privileged communities in rural India.

It is believed that the Board has the experience and skills for the Group to either identify a sector-leading Management Partner or an acquisition opportunity with an impressive incumbent management team. Details on the experience of the Directors are included on pages 4 to 5 of these Financial Statements.

Once a Management Partner is in place/acquisition opportunity progressed the Board and committee composition will be revisited to ensure that it meets the changing needs of the business. During the recruitment process for new directors, the Nomination and Remuneration Committee will ensure that the diversity of the Board is considered.

### **Risk Management and Internal Controls**

The Board is responsible for establishing and maintaining the Company's systems for both risk management and internal controls and reviewing the effectiveness of both. Internal control systems are designed to meet the particular needs of the Company and Group and the particular risks to which it is exposed. The procedures are designed to manage rather than eliminate risk and, by their nature, can only provide reasonable but not absolute assurance against material misstatement or loss.

The role of reviewing and challenging the risk identification and risk management process across the business including the risks in connection with a potential acquisition has been delegated to the Audit and Risk Committee.

The Group does not have a separate internal audit function as the Board does not feel this is necessary due to the current size of the business and the simplicity and low volume of transactions, coupled with the nature and the extent of internal controls and Board oversight and involvement.

The Group has a formal and informal risk management process. The size of the Board and the frequency in which they interact ensures that identified risks are communicated both formally, upon review and consideration of the risk register, and informally in regular conversations between Directors on business operations and strategic progress.

The risk register categorises risks into key business risks, risks associated with the successful completion of an acquisition, shareholder risks and financial and procedural risks. A risk assessment has been performed identifying the potential impact and likelihood of each risk and mitigating factors/actions have also been identified. The risk register, including the risk assessment is reviewed and discussed by the Audit and Risk Committee who propose to the Board any updates for formal adoption.

Principal risks faced by the Group are explained in detail on pages 37 to 41. The main risks faced by the Group are those which might jeopardise the successful completion of an acquisition. The Group has previously come within days of successfully completing two transactions and as such have incurred significant transaction related costs.

Whilst the risk remains that future losses arise from the pursuit of future transactions, the Directors consider the management of the Company's exposure to financial costs of progressing and securing a successful acquisition a key priority and as such have implemented the following robust risk mitigation procedures:

- reducing the target size of potential acquisitions to consider taking one or more controlling or noncontrolling stakes, in businesses with an enterprise value generally expected to be up to £500 million;
- continuing to perform thorough due diligence of potential management partners and acquisition targets prior to materially progressing third party advisers and incurring incremental costs;
- seeking appropriate risk-sharing measures with professional service providers and, to the extent possible, with vendors;
- continuing the model of early stage market sounding and consultation with potential investors throughout the transaction process; and
- maintaining a flexible attitude to which international capital markets/exchanges would provide the optimal environment for initial and future capital raising.

The Company also continues to implement financial procedures including controls over cash management, the safeguarding of cash, and monthly cash forecasting and budgeting. The Company also has in place numerous internal controls in relation to financial reporting, such as the segregation of roles between those preparing and those reviewing financial information. In addition, the Company has established a multi-tier review process with reviews undertaken by individuals with the appropriate level of seniority and experience, reducing the risk of misstatement and fraud.

Currently, the Directors are provided with summary financial information, including a balance sheet, profit and loss and cash flow information.

The Board is aware of the importance of an effective risk management process reflective of the size and complexity of the business and believes that the processes described above are suitable for the business in its current form. At or around the time an operating business is acquired, the Board will review the risks to which the new enlarged group is exposed, and an enhanced risk management process will be put in

place.

### **Company Culture**

The Board promotes a dynamic, entrepreneurial and transparent culture. The recruitment of highly skilled, adaptable, driven and experienced directors are fundamental to executing the Company's strategy. The Board therefore fosters a forum whereby openness, constructive challenge and innovation are actively encouraged.

The Company is small, and as at the date of this report consists of three directors. The Company's culture is therefore set by the Board and demonstrated through Board interaction. The Chairman in his role of leading the Board, managing Board meetings and encouraging constructive challenge between Board members is central to setting the tone from the top.

Once additional directors are appointed, a Board effectiveness review will be the key method in which the Company's culture is monitored and reviewed.

### **Succession Planning**

Given the size, composition and nature of the Company at this stage in its evolution, the creation and implementation of succession plans are not considered to be appropriate or relevant and as such no succession planning is in place. Once an initial acquisition has been made, succession planning will be revisited by the Board.

### **Directors' Terms of Service**

The Articles of Association of the Company require that, at each annual general meeting of the Company, one third of the Directors retire from office and offer themselves for re-election, and each Director shall retire from office and stand for re-election at least every three years. Furthermore, each Director appointed in the period since the previous annual general meeting shall stand for election at the subsequent annual general meeting. Accordingly, Sanjeev Gandhi will retire from office at the Company's forthcoming annual general meeting and seek to be re-elected by the Company's shareholders. The Company is satisfied that Sanjeev Gandhi's performance is effective and demonstrates his commitment to the role and as such supports his re-election.

The Directors' service contracts establish the time commitment each Director must devote to the Company. Mark Brangstrup Watts and James Corsellis are to devote the time necessary to ensure the proper performance of their duties. Sanjeev Gandhi's time commitment is expected to be a minimum of two to three days per month, however, is expected to increase during times of increased activity.

### **Continued Professional Development**

The Board considers and reviews the requirement for continued professional development. The Board undertakes to ensure that their awareness of developments in corporate governance and the regulatory framework is current, as well as remaining knowledgeable of any industry specific updates. The Company's professional advisers and Nomad all serve to strengthen this development by providing guidance and updates as required.

### **Chairman**

The Chairman is responsible for leading the Board effectively and overseeing the adoption, delivery and communication of the company's corporate governance model. The Chairman displays a clear vision and focus on strategy, capitalising on the skills, experience, characteristics and qualities of the Board and fostering a positive governance culture throughout the Group.

### **Company Secretary**

The QCA Code provides details on the roles and responsibilities of the Company Secretary within a Company. The Company Secretary for the Group is Crestbridge Corporate Services Limited ("**Crestbridge**") which was appointed on 31 December 2020, Crestbridge is supported by Marwyn Capital LLP ("**MCLLP**") which provides company secretarial and governance support.

Together, Crestbridge and MCLLP perform the function of Company Secretary as outlined in the Code. The role includes preparing for and running effective Board and Committee meetings, including the timely dissemination of appropriate information. In addition, the Company Secretary is responsible for assisting the Directors in ensuring that the Group entities are managed, controlled and administered within the parameters of their governing documents and are compliant with regulatory compliance and filing obligations.

Marwyn Capital LLP further supports the role of Crestbridge ensuring open lines of communication between all professional advisers, shareholders and the Board.

### **External Advisors**

Since listing, the Company has pursued its investment strategy and as such has engaged several advisors to facilitate this. A list of current key external service providers is included on page 42.

Relationships with key resources and external advisers are developed and maintained through an open dialogue to ensure that the Company is able to draw upon their expertise and assistance when required.

### **Conflicts of Interest**

The Articles of Association of the Company provide for a procedure for the disclosure and management of risks associated with Directors' conflicts of interest. At each Board meeting, a list of directorships for each Director is tabled to the meeting with any potential conflicts being discussed in detail. Notwithstanding that no material conflict of interest has arisen during the year and to date, the Board considers these procedures to have operated effectively.

### **Relations with Shareholders**

The Board is always available for communication with shareholders and the Executive Directors frequently encourage engagement constructively with current and potential shareholders. All shareholders have the opportunity, and are encouraged, to attend and vote at the annual general meeting of the Company during which the Board will be available to discuss issues affecting the Company.

### **Annual General Meeting**

The AGM is an opportunity for shareholders to vote on certain aspects of the Company's business. The next AGM of the Company will be scheduled in due course and held on or before 31 December 2022. The Financial Statements and related papers will be available on the Company's website at [www.marwynacplc.com](http://www.marwynacplc.com).

## **GOVERNANCE - AUDIT AND RISK COMMITTEE REPORT**

### **Audit and Risk**

I present the Audit and Risk Committee Report for the year ended 30 June 2022. I have chaired the committee since my appointment on 24 May 2022, prior to my appointment Mark Brangstrup Watts was chair of the committee. Mark Brangstrup Watts continues to serve as a member of the committee and James Corsellis resigned as a member of the Committee on 24 May 2022. The roles and responsibilities of the Audit and Risk Committee are set out in its terms of reference, which are available on the Company's website and from the Company Secretary. The Audit and Risk Committee are responsible for the:

- review and challenge of the risk identification and risk management process across the business including the risks in connection with a potential acquisition;
- management of relations with the external auditor to ensure that the annual audit is effective, objective, independent and of high quality;
- oversight of the relationship with the external auditor to ensure it remains appropriate and, that the service is appropriately priced; and
- Review of the Company's draft corporate reporting, including the annual report and financial statements.

The Audit and Risk Committee has met three times in the year to 30 June 2022. The key matters we have discussed during this period were the:

- review of the Company's annual report and financial statements for the year to 30 June 2021, including the Audit and Risk Committee Report;
- review of the Company's interim financial statements for the six-month period ended 31 December 2021
- review of the audit planning documentation, reporting timeline and audit fees for the 30 June 2022 year end audit;
- review of risk identification and risk management processes, including review of updates to the Company's risk register;
- review of updates to the Company's Financial Position and Prospects Procedures Memorandum and revised QCA Code summary, including related updates made to the Company's website following the appointment of myself;
- review and consideration the Company's policies and procedures including Market Abuse Regulations policy, the associated share dealing code, tax evasion risk assessment and whistleblowing policy; and
- consideration of the need for an internal audit department.

In addition to the above, the Audit and Risk Committee recommended the re-appointment of Baker Tilly Channel Islands Limited as the Company's external auditor. Auditor independence, reputation, experience and fee quote among other factors were considered by the Board in determining the external auditor appointment. The total amount recognised for non-audit services during the year was £nil.

Subsequently to 30 June 2022, in respect of the Financial Statements, the Audit and Risk Committee evaluated the audit process and the external auditor, reviewed the going concern assumption, and considered whether the Annual Report and Financial Statements are fair, balanced and understandable. As part of the review, the Board received a report from the external auditor on its audit.

### **Sanjeev Gandhi**

Committee Chairman  
8 September 2022

## **GOVERNANCE - NOMINATION AND REMUNERATION REPORT**

### **Nomination and Remuneration Committee Chairman's Statement**

I present the Nomination and Remuneration Report for the year ended 30 June 2022. The Report includes a summary of the committee's work during the year, details of the Company's application of its remuneration philosophy, and amounts earned by the Directors during the current year.

I have chaired the committee since my appointment on 24 May 2022, prior to my appointment Mark Brangstrup Watts was chair of the committee. Mark Brangstrup Watts continues to serve as a member of the committee and James Corsellis resigned from his role as a member of the Committee on 24 May 2022.

The roles and responsibilities of the Nomination and Remuneration Committee are set out in its terms of reference, which are available on the Company's website and from the Company Secretary. The Nomination and Remuneration Committee are responsible for making recommendations to the Board for the matters set out in its terms of reference, whilst the responsibility for establishing the Company's

overall approach to remuneration lies with the Board.

During the year, prior to my appointment, the Nomination and Remuneration Committee met twice. The committee discussed and agreed the nomination and remuneration report included in the 30 June 2021 annual report and financial statements and undertook the recruitment process to appoint a high quality independent non-executive director to support the company in achieving its stated strategy. Following this process, I was appointed as an Independent non-executive director and as the chairman of both the Audit and Risk and Nomination and Remuneration Committees. The existing committee members at that time were also responsible for agreeing the terms of my appointment including remuneration, based on market data for comparable roles.

### Looking Forward

Given the current nature and activities of the Company there are no significant proposed changes to the executive director remuneration packages for the year ahead. However, to the extent that the nature and size of the business changes going forward, the Board composition will be revisited and appointments reflective of the roles undertaken.

### Sanjeev Gandhi

Committee Chairman  
8 September 2022

### Introduction to Directors' Remuneration Report

The information included in this report is not subject to audit unless specifically indicated.

The remuneration philosophy of the Company is that executive remuneration should be aligned with the long-term interest of the shareholders. The Company also believes that remuneration should be proportionate, transparent, performance based, encourage sustainable value creation and support the delivery of the business strategy by attracting the highest calibre personnel. This philosophy is reflected in our remuneration structure.

The Board feels very strongly that the Directors' remuneration should be linked to the creation and delivery of attractive returns to shareholders. Although the Board feels it is important to remunerate senior executives through their basic pay and benefits at market levels commensurate with their peers, the participation share scheme currently in place was designed to provide ongoing remuneration in alignment with shareholders' interests. The participation share scheme has been in place since before the Company's IPO, however, given the capital deployed in the unsuccessful pursuit of transactions under the previous investment strategy focused on opportunities in the specialty chemical sector, the scheme is no longer considered fit-for-purpose in providing a suitable and market competitive long term incentive to attract and retain industry-leading Management Partners to deliver future growth for shareholders. As such, it is intended that a new participation scheme be put in place at the time of appointing a Management Partner or an acquisition opportunity with an impressive incumbent management team. The new participation scheme will be designed on the same general principles as the current scheme, these are detailed below.

### Participation Share Scheme

The Directors believe that the success of the Company will depend to a high degree on the future performance of its management team. The Company has established incentive arrangements which will only reward the participants if shareholder value is created, thereby aligning the interests of management directly with those of shareholders (the "**Participation Share Scheme**"). It is intended that an updated Participation Share Scheme be put in place at the time of appointing a Management Partner or an acquisition opportunity with an impressive incumbent management team. The Company's prior year financial statements set out the details of the existing Participation Share Scheme, and are available on the Company's website, and are therefore not detailed within this report.

Mark Brangstrup Watts and James Corsellis have an indirect beneficial interest in the existing Participation Share Scheme, as disclosed in note 17.

The existing Participation Share Scheme and any replacement scheme will be designed to align the Company's shareholders' interests and the shareholders' expected typical ownership period, and which reflects the high competition for the best executive management, often against private equity firms offering these executives carried interest structures and other structures found in listed companies. The general principles of the Company's compensation strategy for the new Participation Share Scheme will be:

- **Proportionate:** to the role being undertaken by the participants and reflecting the participants' value to delivering outstanding, sustainable shareholder returns;
- **Transparent:** the compensation structure and its associated terms should be transparent to investors and the impact of the scheme clearly communicated to investors on an ongoing basis;
- **Performance Based:** minimum performance criteria should be based on equity profits generated, taking into account all equity issuance over the lifetime of the relevant measurement period, subject to minimum preferred returns; and
- **Encourage Sustainable Value Creation:** incentive arrangements should be structured to encourage the creation of sustainable returns through long term vesting and performance measurement periods.

The Board strongly believes that such a clear and transparent incentive framework will be aligned with the

Company's strategy for growth and provides a strong platform for the future success of the Company.

More detail on the existing Participation Share Scheme is included in note 17 of these Financial Statements.

#### Directors' Basic and Performance Related Pay:

The below table sets out the remuneration of each Director during the year and prior period:

For the year ended 30 June 2022	James Corsellis £'000	Mark Brangstrup Watts £'000	Sanjeev Gandhi (appointed 24 May 2022) £'000
Salary	8	8	5
	<b>8</b>	<b>8</b>	<b>5</b>

For the year ended 30 June 2021	James Corsellis £'000	Mark Brangstrup Watts £'000
Salary	8	8
	<b>8</b>	<b>8</b>

There was no change to the remuneration package of James Corsellis and Mark Brangstrup Watts during the year. Neither James nor Mark receive any taxable benefits.

Sanjeev Gandhi was appointed as a Non Executive Director on 24 May 2022. His annual salary is £50,000 which is considered to be market rate for an independent non-executive director of a business of this nature.

#### Director Service Contract Provisions

New director and senior management service contracts are prepared alongside the Company's legal counsel, and new practices/guidance are considered at the point these are drafted.

The employment contracts set out clearly the notice period, termination clauses and claw back clauses for each of the Directors. In all instances directors are required to step down from their position should this be voted for by the shareholders.

#### Shareholder Vote

At the 2021 AGM, 99.99% of shareholders who voted on the resolution for the re-election of James Corsellis voted in favour.

#### Performance Evaluation

Set out on page 9 of the Report of the Directors, the Directors consider that the board is not yet of a sufficient size for a full board evaluation to make commercial and practical sense. In frequent Board meetings and calls, the Directors can discuss any areas where they feel a change would be beneficial for the Company, and the Company Secretary and specialist external advisers remain on hand to provide impartial advice. As the Company grows, it intends to expand the composition of the Board and, with this expansion, intends to establish a formal board effectiveness review.

#### Comparison Against Market Performance

The Company does not yet own an operating business, and as such an illustration of the Company's share price as a comparison to the market is not presented within this report. No performance related bonuses have been paid within the year or prior year.

#### Risks

The Board are mindful of the potential risks associated with its remuneration policy. The Board aims to provide a structure that encourages an acceptable level of risk-taking (by benchmarking against shareholder returns) and an optimal remuneration mix. The Board has considered the risk involved in the Participation Share Scheme and is satisfied that the Company's governance procedures mitigate these risks appropriately.

The Board seeks to ensure that its approach to remuneration drives behaviour aligned to the long-term interests of the Company and its shareholders.

#### Looking Ahead

The Directors are seeking to identify a sector-leading Management Partner in advance of an initial Acquisition or identify acquisition opportunities with impressive incumbent management teams.

Once the Company has made its first acquisition, the objectives of the enlarged Group will be established; at this point the Directors' service contracts will be revisited and as part of this process the Nomination and Remuneration Committee will consider the most appropriate key performance indicators for the Directors.

**On behalf of the Board**

## Sanjeev Gandhi

Committee  
Chairman

8 September 2022

## INDEPENDENT AUDITOR'S REPORT

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARWYN ACQUISITION COMPANY PLC

#### Opinion

We have audited the consolidated financial statements of Marwyn Acquisition Company PLC (the "Company" and, together with its subsidiary WHJ Limited, the "Group"), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs); and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991, as amended.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jersey, including the FRC's Ethical Standard, 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, are of most significance in our audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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. We have determined that there are no key audit matters to be communicated in our report.

#### Our Application of Materiality

Materiality for the consolidated financial statements as a whole was set at £120,000 (PY: £52,000), determined with reference to a benchmark of Net Assets, of which it represents 2.5% (PY: 1% of Gross Assets).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the consolidated financial statements as a whole.

Performance materiality was set at 70% (PY: 70%) of materiality for the consolidated financial statements as a whole, which equates to £84,000 (PY: £36,000). We applied this percentage in our determination of performance materiality as the Company is listed on AIM of the London Stock Exchange which raises our risk profile.

We report to the Audit and Risk Committee any uncorrected omissions or misstatements exceeding £6,000 (PY: £2,600), as well as those that warranted reporting on qualitative grounds.

In addition, we have allocated specific materiality for administrative expenses, other receivables and trade and other payables. We considered a threshold of £6,500 to be an indicator of materiality for these specific areas based on 1.8% of total expenses. Specific materiality has been used in these areas due to their lower value and to ensure we have performed adequate audit work in these areas. The specific performance materiality for these areas was also set at 70% and equates to £4,500. We report, to the Audit and Risk Committee, all corrected and uncorrected misstatements we identified through our audit, in these areas, with a value in excess of £300 as well as other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

#### Conclusions relating to Going Concern

In auditing the consolidated financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is 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 Group and Company's ability to continue as a going concern for a period of at least twelve months from when the consolidated 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.

### **Other Information**

The other information comprises the information included in the annual report other than the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements themselves. If, based on the work 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.

### **Matters on which we are required to Report by Exception**

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991, as amended, requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- proper returns adequate for the audit have not been received from branches not visited by us;
- the consolidated financial statements are not in agreement with the accounting records and returns;
- or
- we have not obtained all information and explanation that, to the best of our knowledge and belief, was necessary for the audit.

### **Responsibilities of the Directors**

As explained more fully in the Statement of Directors' responsibilities statement set out on pages 6 and 7 the Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Enquiry of management to identify any instances of non-compliance with laws and regulations, including actual, suspected or alleged fraud;
- Reading minutes of meetings of the Board of Directors;
- Review of legal invoices;
- Review of management's significant estimates and judgements for evidence of bias;
- Review for undisclosed related party transactions;
- Obtain and review ledgers and minutes to ensure revenue is complete and as per our expectation;
- Using analytical procedures to identify any unusual or unexpected relationships; and
- Undertaking journal testing, including an analysis of manual journal entries to assess whether there were large and/or unusual entries pointing to irregularities, including fraud.

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

This description forms part of our auditor's report.

### **Use of this Report**

This report is made solely to the Members of the Company, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991, as amended. Our audit work has been undertaken so that we might state to the 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 its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

### Sandy Cameron

#### For and on behalf of Baker Tilly Channel Islands Limited

Chartered Accountants

St Helier, Jersey

Date 8 September 2022

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Administrative expenses	7	359	699
<b>Operating loss</b>		<b>359</b>	<b>699</b>
Finance income	5	-	1
<b>Loss before income taxes</b>		<b>359</b>	<b>698</b>
Income tax	8	-	-
<b>Loss for the year</b>		<b>359</b>	<b>698</b>
Loss per ordinary share		£	£
Basic and diluted	8	(0.0005)	(0.001)

The Group's activities derive from continuing operations.

The notes on pages 26 to 36 form an integral part of these Financial Statements.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2022 £'000	As at 30 June 2021 £'000
<b>Assets</b>			
<b>Current assets</b>			
Other receivables	11	25	29
Cash and cash equivalents	12	4,846	5,222
<b>Total current assets</b>		<b>4,871</b>	<b>5,251</b>
<b>Total assets</b>		<b>4,871</b>	<b>5,251</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Stated capital	14	30,792	30,792
Share-based payment reserve	15	205	205
Accumulated losses		(26,196)	(25,837)
<b>Total equity attributable to equity holders</b>		<b>4,801</b>	<b>5,160</b>

**Current liabilities**  
Trade and other payables

Trade and other payables	13	70	91
<b>Total liabilities</b>		<b>70</b>	<b>91</b>
<b>Total equity and liabilities</b>		<b>4,871</b>	<b>5,251</b>

The notes on pages 26 to 36 form an integral part of these Financial Statements.

The Financial Statements were approved by the Board of Directors on 8 September 2022 and were signed on its behalf by:

**James Corsellis**  
Chairman

**Mark Brangstrup Watts**  
Executive Director

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital	Share based payment reserve	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000
<b>Balance as at 1 July 2020</b>	30,792	205	(25,139)	5,858
Loss and total comprehensive loss for the year	-	-	(698)	(698)
<b>Balance as at 30 June 2021</b>	<b>30,792</b>	<b>205</b>	<b>(25,837)</b>	<b>5,160</b>

	Stated capital	Share based payment reserve	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000
<b>Balance as at 1 July 2021</b>	30,792	205	(25,837)	5,160
Loss and total comprehensive loss for the period	-	-	(359)	(359)
<b>Balance as at 30 June 2022</b>	<b>30,792</b>	<b>205</b>	<b>(26,196)</b>	<b>4,801</b>

The notes on pages 26 to 36 form an integral part of these Financial Statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended 30 June 2022 £'000	For the year ended 30 June 2021 £'000
<b>Operating activities</b>			
Loss for the period		(359)	(698)
<b>Adjustments to reconcile total operating loss to net cash flows:</b>			
Deduct finance income		-	(1)
<b>Working capital adjustments:</b>			
Decrease/(increase) in receivables		4	(9)
Decrease in trade and other payables		(21)	(33)
Interest received		-	1

<b>net cash flows used in operating activities</b>		<b>(376)</b>	<b>(740)</b>
Net decrease in cash and cash equivalents		(376)	(740)
Cash and cash equivalents at the beginning of the year		5,222	5,962
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>4,846</b>	<b>5,222</b>

The notes on pages 26 to 36 form an integral part of these Financial Statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Marwyn Acquisition Company Plc (the "**Company**"), an "investing company" for the purposes of the AIM Rules for Companies ("AIM Rules"), is incorporated in Jersey (company number 123424) and domiciled in the United Kingdom. It is a public limited company with its registered office at 47 Esplanade, St Helier, Jersey, JE1 0BD and is registered as a UK establishment (BR019423) with its address at 11 Buckingham Street, London, WC2N 6DF. The Company is the parent of one subsidiary (together with the Company, collectively the "**Group**") as detailed in note 10. The activity of the Company is the acquisition and subsequent development of assets engaged in the industrials, manufacturing, engineering, construction, building products or support services sectors.

### 2. ACCOUNTING POLICIES

#### (a) Basis of preparation

The Financial Statements for the year ended 30 June 2022 and the comparative year to 30 June 2021 have been prepared in accordance with International Financial Reporting Standards and IFRS Interpretations Committee interpretations as adopted by the European Union (collectively, "**IFRS**") and are presented in British pounds sterling, which is the functional currency and presentational currency of the Company. All values are rounded to the nearest thousand (£000) except where otherwise indicated. The Financial Statements have been prepared under the historical cost convention.

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. The policies have been consistently applied throughout the periods presented.

#### (b) Going concern

The Financial Statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future. The Group has net assets of £4.9m at the statement of financial position date, which includes cash of £4.8m. The Directors are confident that prior to completing a transaction, the Covid-19 pandemic has no material impact on the Group due to the nature of its operations and that the entity is able to continue through any periods of restricted movement. The Directors have also considered the macro environmental factors that have impacted both the global and domestic economy in recent months, in particular the war in Ukraine and the inflationary pressure to the UK economy. The Directors are comfortable that the Company has significant and sufficient cash reserves to pursue its investment strategy and have concluded that it remains appropriate to use the going concern basis of accounting for the Financial Statements. Subject to the structure of an acquisition, the Company may need to raise additional funds for an acquisition in the form of equity and/or debt.

#### (c) New standards and amendments to International Financial Reporting Standards

*Standards, amendments and interpretations effective and adopted by the Group:*

The accounting policies adopted in the presentation of these Financial Statements reflect the adoption of the below listed new standards, amendments and interpretations effective for periods beginning on or after 1 January 2021: Interest rate benchmark reform (Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) and Covid-19 related rent concessions (Amendments to IFRS 16 and amendments to IFRS 4 Insurance Contracts - deferral of IFRS 9). None of these new standards, amendments or interpretations have had a material impact on the Group.

*Standards, amendments and interpretations issued but not yet effective:*

The following standards are issued but not yet effective. The Group intends to adopt these standards, if applicable, when they become effective. It is not currently expected that these standards will have a material impact on the Group.

<b>Standard</b>	<b>Effective date</b>
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41);	1 January 2022
Amendments to IFRS 3: References to Conceptual Framework;	1 January 2022
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*;	1 January 2023
Disclosure of accounting policies (Amendments to IAS 1);	1 January 2023
Extension of temporary exemption of applying IFRS 9 (Amendments to IFRS 4)	1 January 2023
Deferred Tax relating to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);	1 January 2023
Initial Application of IFRS 17 and IFRS 9 - Comparative Information Amendment to IFRS 17)*;	1 January 2023
Definition of accounting estimates (Amendments to IAS 8);	1 January 2023
Amendments to IFRS 17 Insurance contracts	1 January 2023
* Subject to EU endorsement	

#### **(d) Basis of consolidation**

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of subsidiaries is fully consolidated from the date that control commences until the date that control ceases.

Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial information.

#### **(e) Financial instruments - initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at fair value through profit or loss ("**FVPL**"), amortised cost, or fair value through other comprehensive income ("**FVOCI**").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding (the "**SPPI Criterion**").

Financial assets are initially measured at their fair value plus, for those financial assets not at fair value through profit or loss, transaction cost.

##### Subsequent measurement

For the purposes of subsequent measurement, all of the Group's financial assets to date have been classified as financial assets at amortised cost. Financial assets at amortised cost comprise of assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI Criterion. This category includes the Group's cash and cash equivalents and other receivables. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group has not classified any assets as being financial assets at FVOCI or FVPL.

##### Derecognition

A financial asset is primarily derecognised and removed from the consolidated statement of financial position when the rights to receive cash flows from the asset have expired.

##### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The Group's financial liabilities comprise of trade and other payables.

##### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost and in the case of interest-bearing

financial liabilities at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### **(f) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances at banks.

#### **(g) Stated capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised in stated capital as a deduction from the proceeds.

#### **(h) Corporation tax**

Corporation tax for the period presented comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period. Taxable profit differs from profit reported in the consolidated statement of comprehensive income because some items of income and expense are taxable or deductible in different years, or may never be taxable or deductible. Current tax is the expected tax payable on the taxable income for the period. The Group's current tax is calculated using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to taxes payable in respect of previous periods.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **(i) Loss per ordinary share**

The Group presents basic earnings per ordinary share ("**EPS**") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

#### **(j) Share based payments**

The A1 Shares in WHJ Limited ("**WHJL**") (the "**A1 Shares**" or the "**Participation Shares**") and the A2 Shares in WHJL (the "**A2 Shares**") represent equity-settled share-based payment arrangements under which the Group receives services as a consideration for the additional rights attached to these equity shares, over and above their nominal price.

Equity-settled share-based payments to certain of the Directors and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is expensed, with a corresponding increase in equity, on a straight-line basis from the grant date to the expected exercise date. Where the equity instruments granted are considered to vest immediately, the services are deemed to have been received in full, with a corresponding expense and increase in equity recognised at grant date.

The dilutive effect of outstanding share-based payments is reflected as share dilution in the computation of diluted EPS.

### **3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Group's Financial Statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

#### *Significant estimates*

For the year ended 30 June 2022 and the comparative year end, the Directors do not consider that they have made any significant estimates which would materially affect the balances and results reported in these Financial Statements.

#### *Significant judgements*

For both the year ended 30 June 2022 and the comparative year end, the Directors do not consider that they have made any significant judgements which would materially affect the balances and results reported in these Financial Statements.

### **4. SEGMENT INFORMATION**

The Board of Directors is the Group's chief operating decision-maker. As the Group has not yet acquired an operating business, the Board of Directors considers the Group as a whole for the purposes of assessing performance and allocating resources, and therefore the Group has one reportable operating segment.

## 5. FINANCE INCOME

	For the year ended 30 June 2022 £'000	For the year ended 30 June 2021 £'000
Interest on bank deposits	-	1
	<u>-</u>	<u>1</u>

## 6. EMPLOYEES AND DIRECTORS

### (a) Employment costs for the Group during the year:

	For the year ended 30 June 2022 £'000	For the year ended 30 June 2021 £'000
Wages and salaries	22	16
Social security costs	1	-
Total employment costs expense	<u>23</u>	<u>16</u>

Included within wages and salaries is £22,000 for director fees, which were paid to James Corsellis, Mark Brangstrup Watts and Sanjeev Gandhi (2021: £16,000).

### (b) Key management compensation

The Board considers the Directors of the Company to be the key management personnel of the Group. Details of the amounts paid to key management personnel are detailed in the Nomination and Remuneration Report on pages 15 to 18.

### (c) Employed persons

The average monthly number of persons employed by the Group (including Directors) during the year was as follows:

	For the year ended 30 June 2022 number	For the year ended 30 June 2021 number
Directors	2	2
	<u>2</u>	<u>2</u>

## 7. ADMINISTRATIVE EXPENSES

	For the year ended 30 June 2022 £'000	For the year ended 30 June 2021 £'000
<b>Group expenses by nature</b>		
Employment costs	23	16
Office costs	-	1
Professional support	327	672
Other expenses	9	10
	<u>359</u>	<u>699</u>

## 8. INCOME TAX

	For the year ended 30 June 2022 £'000	For the year ended 30 June 2021 £'000
<b>Analysis of tax in period</b>		
Current tax on profits for the period	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>

### Reconciliation of effective rate and tax charge:

For the year ended 30 June	For the year ended 30
-------------------------------	--------------------------

	2022 £'000	June 2021 £'000
Loss on ordinary activities before tax	(359)	(698)
Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 19% (2021: 19%)	<b>(68)</b>	<b>(133)</b>
Effects of:		
Expenses not deductible for tax	-	13
Tax losses not utilised	68	120
<b>Total taxation charge</b>	<b>-</b>	<b>-</b>

The Group is tax resident in the UK. As at 30 June 2022, cumulative tax losses available to carry forward against future trading profits were £26.2m (2021: £25.8m) subject to agreement with HM Revenue & Customs. Prior to an initial Acquisition, there is no certainty as to future profits and no deferred tax asset is recognised in relation to these carried forward losses. Under UK Law, there is no expiry for the use of tax losses.

## 9. LOSS PER ORDINARY SHARE

Basic EPS is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The weighted average number of shares has not been adjusted in calculating diluted EPS as there are no instruments which have a current dilutive effect.

Refer to note 17 for instruments that could potentially dilute basic EPS in the future.

	For the year ended 30 June 2022	For the year ended 30 June 2021
Loss attributable to owners of the parent (£'000)	(359)	(698)
Weighted average number of ordinary shares in issue	670,833,336	670,833,336
Weighted average number of ordinary shares for diluted EPS	670,833,336	670,833,336
Basic and diluted loss per ordinary share (£)	(0.0005)	(0.001)

## 10. SUBSIDIARY

### Subsidiary undertaking of the Group

The Company owns, directly or indirectly, the whole of the issued and fully paid ordinary share capital of its subsidiary undertaking. The subsidiary undertaking of the Company as at 30 June 2022 is:

Subsidiary	Nature of business	Country of incorporation	Proportion of ordinary shares held by parent	Proportion of ordinary shares held by the Group
WHJ Limited	Incentive vehicle	Jersey	100%	100%

There are no restrictions on the Company's ability to access or use the assets and settle the liabilities of the Company's subsidiary.

The registered office of WHJ Limited is 47 Esplanade, St Helier, Jersey, JE1 0BD.

## 11. OTHER RECEIVABLES

	As at 30 June 2022 £'000	As at 30 June 2021 £'000
<b>Amounts receivable within one year:</b>		
Prepayments	19	19
VAT receivable	6	10
	<b>25</b>	<b>29</b>

## 12. CASH AND CASH EQUIVALENTS

	As at 30 June 2022 £'000	As at 30 June 2021 £'000
<b>Cash and cash equivalents</b>		

Cash at bank	<u>4,846</u>	<u>5,222</u>
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Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum short-term credit rating of P-1, as issued by Moody's, are accepted.

### 13. TRADE AND OTHER PAYABLES

	As at 30 June 2022 £'000	As at 30 June 2021 £'000
<b>Amounts falling due within one year:</b>		
Trade payables	39	53
Accruals	<u>31</u>	<u>38</u>
	<u><b>70</b></u>	<u><b>91</b></u>

### 14. STATED CAPITAL

	As at 30 June 2022	As at 30 June 2021
<b>Authorised</b>		
Unlimited ordinary shares of no par value	-	-
<b>Issued</b>		
Ordinary shares of no par value	670,833,336	670,833,336
Stated capital (£'000)	<u>30,792</u>	<u>30,792</u>

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per ordinary share at meetings of the Company.

### 15. RESERVES

The following describes the nature and purpose of each reserve within shareholders' equity:

#### *Accumulated losses*

Cumulative losses recognised in the Consolidated Statement of Comprehensive Income.

#### *Share based payment reserve*

The share based payment reserve is the cumulative amount recognised in relation to the equity-settled share based payment scheme as further described in note 17.

### 16. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Group has the following categories of financial instruments as at 30 June 2022:

	As at 30 June 2022 £'000	As at 30 June 2021 £'000
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	<u>4,846</u>	<u>5,222</u>
	<u><b>4,846</b></u>	<u><b>5,222</b></u>
<b>Financial liabilities measured at amortised cost</b>		
Trade payables	<u>70</u>	<u>91</u>
	<u><b>70</b></u>	<u><b>91</b></u>

All financial instruments are classified as current assets and current liabilities. There are no non-current financial instruments as at 30 June 2022 (Nil: 30 June 2021).

The fair value and book value of the financial assets and liabilities are materially equivalent.

The Group has exposure to the following risks from its use of financial instruments:

- Market risk;
- Liquidity risk; and
- Credit risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing these risks.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Treasury activities are managed on a Group basis under policies and procedures approved and monitored by the Board. These are designed to reduce the financial risks faced by the Group which primarily relate to

movements in interest rates.

#### *Market risk*

The Group's activities primarily expose it to the risk of changes in interest rates due to the significant cash balance held; however, any change in interest rates will not have a material effect on the Group. The Group's operations are predominately in GBP, its functional currency and accordingly minimal translation exposures arise in receivables or payables.

#### *Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group currently meets all liabilities from cash reserves.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main credit risk relates to the cash held with financial institutions. The Company manages its exposure to credit risk associated with its cash deposits by selecting counterparties with a high credit rating with which to carry out these transactions. The counterparty for these transactions is Barclays Bank plc, which holds a short-term credit rating of P-1, as issued by Moody's. The Group's maximum exposure to credit risk is the carrying value of the cash on the Consolidated Statement of Financial Position.

#### *Capital management*

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. Capital includes stated capital, and all other equity reserves attributable to the equity holders of the Company and totals £4.9 million as at 30 June 2022 (£5.2 million as at 30 June 2021). There were no changes in the Group's approach to capital management during the year and the Company's capital management policy will be revisited once an initial acquisition has been identified.

## **17. SHARE-BASED PAYMENTS**

As set out on page 16 in the Directors' Remuneration Report it is intended that an updated Participation Share Scheme be put in place at the time of appointing a Management Partner or an acquisition opportunity with an impressive incumbent management team. The Company's prior year financial statements set out the details of the existing Participation Share Scheme, and are available on the Company's website, and are therefore not detailed within this report.

The only shares in issue under the existing Participation Share Scheme have been issued to Marwyn Long Term Incentive LP ("**MLTI**"), in which James Corsellis and Mark Brangstrup Watts are beneficially interested. MLTI has subscribed for all of the A2 Shares in WHJL (the "**Marwyn Performance Shares**"). The Marwyn Performance Shares, which were issued prior to the initial public offering of the Company on AIM, were intended to reward Marwyn for its key contribution in the creation of shareholder value, taking into account Marwyn's track record of shareholder value creation. Further details on the Marwyn Performance Shares are set out in note 17 of the prior year annual report and financial statements, which are available on the Company's website.

	<b>Nominal price</b>	<b>Issue Price Per A2 Share</b>	<b>Number of A2 Shares</b>	<b>Fair value at grant date</b>
Marwyn Long Term Incentive LP	£1	£72.32	500	£205,465

As the Marwyn Performance Shares do not have any service conditions, their fair value on grant date was recognised immediately as an expense in the year ended 30 June 2018. Consequently, there is no expense in relation to the Marwyn Performance Shares in the current or prior year.

## **18. RELATED PARTY TRANSACTIONS**

The AIM Rules define a related party as any (i) director of the Company or its subsidiary, (ii) a substantial shareholder, being any shareholders holding at least 10 per cent. of a share class or (iii) an associate of those parties identified in (i) or (ii).

James Corsellis and Mark Brangstrup Watts are the managing partners of the Marwyn Group. Funds managed by Marwyn Investment Management LLP of which James Corsellis and Mark Brangstrup Watts are both managing partners, hold 95.36 per cent. of the Company's issued ordinary shares. Marwyn Investment Management LLP incurred fees of £6,000 on behalf of the Company during the year, which were recharged in full.

James Corsellis and Mark Brangstrup Watts have an indirect beneficial interest in the A2 Shares as described in note 17.

James Corsellis and Mark Brangstrup Watts are the managing partners of Marwyn Capital LLP which provides corporate finance support and effective 1 January 2021 managed services support to the Company. During the year, Marwyn Capital LLP charged £149,000 (2021: £326,000) in respect of services supplied, and £16,000 (excluding VAT) (2021: £16,000) for James Corsellis' and Mark Brangstrup Watts'

directors' fees. Marwyn Capital LLP was owed an amount of £25,000 at the balance sheet date (2021: £30,000).

Compensation of key management personnel of the Group is included in the Nomination and Remuneration Report. Holdings of Participation Shares are detailed in Note 17.

#### **19. COMMITMENTS AND CONTINGENT LIABILITIES**

There were no commitments or contingent liabilities outstanding at 30 June 2022 which would require disclosure or adjustment in these Financial Statements.

#### **20. INDEPENDENT AUDITORS' REMUNERATION**

BTCI was reappointed as auditor at the AGM on 17 December 2021. BTCI is expected to incur audit fees for the year ended 30 June 2022 of £16,775 (2021: £15,325). BTCI has charged £nil in 2022 for non-audit services to the Group (2021: £nil).

#### **21. POST BALANCE SHEET EVENTS**

There have been no material post balance sheet events that would require disclosure or adjustment to these Financial Statements.

## **RISKS**

#### **Risks applicable to investing in the Company**

An investment in the ordinary shares involves a high degree of risk. No assurance can be given that shareholders will realise a profit or will avoid loss on their investment. The Board has identified a wide range of risks, and the risks considered most relevant to the Company, based on its current status are detailed on the following pages. The risks referred to below, do not purport to be exhaustive and are not set out in any order of priority. If any of the following events identified below occur, the Company's business, financial condition, capital resources, results and/or future operations and prospects could be materially adversely affected.

#### **Risks rating to the Company's future business and potential structure**

- *The Company's ability to complete an acquisition*

Although the Company has historically identified a number of potential investment opportunities, it does not currently have an investment opportunity that is materially progressed and is not currently in formal or exclusive discussions with any asset vendors. The Company's future success is dependent upon its ability to not only identify opportunities but also to execute successful acquisitions and/or investments. There can be no assurance that the Company will be able to conclude agreements with any target business and/or shareholders in the future and failure to do so could result in the loss of an investor's investment. In addition, the Company may not be able to raise the additional funds required to acquire any target business and fund its working capital requirements in accordance with its Investment Policy.

Pursuant to the AIM Rules for Companies, as MAC has not yet substantially implemented its investment policy its investment policy is now subject to shareholder approval

Should shareholders reject the investment policy and elect to wind up the Company and return funds (after payment of the expenses and liabilities of the Company) to Shareholders, there can be no assurance as to the particular amount or value of the remaining assets at such future time of any such distribution either as a result of costs from an unsuccessful acquisition or from other factors, including disputes or legal claims which the Company is required to pay out, the cost of the liquidation event and dissolution process, applicable tax liabilities or amounts due to third party creditors. Upon distribution of assets on a liquidation event, such costs and expenses will result in investors receiving less than the initial subscription price and investors who acquired Ordinary Shares after Admission potentially receiving less than they invested.

- *The Company may face significant competition for acquisition opportunities*

There may be significant competition in some or all of the acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, sovereign wealth funds, special purpose acquisition companies and public and private investment funds, many of which are well established and have extensive experience in identifying and completing acquisitions. A number of these competitors may possess greater technical, financial, human and other resources than the Company. The Company cannot assure investors that it will be successful against such competition. Such competition may cause the Company to be unsuccessful in executing an acquisition or may result in a successful acquisition being made at a significantly higher price than would otherwise have been the case which could materially adversely impact the business, financial condition, result of operations and prospects of the Company.

- *Need for additional funding and dilution*

The Company has insufficient funds to fund in full suitable acquisitions and/or investments identified by the Board. Accordingly, the Company intends to seek additional sources of financing (equity and/or debt) to implement its strategy. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all. If further financing is obtained or the consideration for an acquisition is provided by issuing equity securities or convertible debt securities, Shareholders at the time of such future fundraising or acquisition may be diluted and the new securities may carry rights, privileges and preferences superior to the Ordinary Shares.

The Company may seek debt financing to fund all or part of any future acquisition. The incurrence by the Company of substantial indebtedness in connection with an acquisition could result in:

- (i) default and foreclosure on the Company's assets, if its cash flow from operations was insufficient to pay its debt obligations as they become due; or
- (ii) an inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

*Success of investment policy not guaranteed*

The Company's level of profit will be reliant upon the performance of the assets acquired and the Investment Policy. The success of the Investment Policy depends on the Directors' ability to identify investments in accordance with the Company's investment objectives and to interpret market data correctly. No assurance can be given that the strategy to be used will be successful under all or any market conditions or that the Company will be able to generate positive returns for Shareholders. If the Investment Policy is not successfully implemented, this could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

- *Changes in Investment Policy may occur*

The Company's Investment Policy may be modified and altered from time to time with the approval of Shareholders, so it is possible that the approaches adopted to achieve the Company's investment objectives in the future may be different from those the Directors currently expect to use and which are disclosed in these Financial Statements. Any such change could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

- *The Company could incur costs for transactions that may ultimately be unsuccessful*

The Company has pursued a number of potential acquisitions and as a result incurred substantial legal, financial and advisory expenses. In December 2019, the Company was recapitalised and as a result the business has sufficient funds to continue to identify investment opportunities/a management team.

There is a risk that the Company may again incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include public offer and transaction documentation, legal, accounting and other due diligence which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

- *Potential dilution from the incentivisation of management and Marwyn*

The Company has in place an incentivisation scheme through which members of management that may be employed by the Company, certain employees of the Company and MLTI will be rewarded for increases in shareholder value, subject to certain conditions and performance hurdles, as disclosed on page 16 the current incentive scheme will be replaced with a revised scheme which is expected to have the same potential dilutive impact. For example under the current incentive scheme, MLTI has subscribed for A2 Shares as part of the incentivisation scheme. In certain circumstances, the Company may purchase the A2 Shares either for the issue of new Ordinary Shares or for cash. There is discretion for the holders of A2 Shares to exchange each A2 Share that would otherwise have been redeemed for Ordinary Shares or cash.

If Ordinary Shares are to be issued in order to satisfy the incentivisation scheme, the existing Shareholders may face significant dilution. If the Company has sufficient cash resources the incentivisation scheme may be settled with cash, thereby reducing the Company's cash resources.

- *Industry specific risks*

It is anticipated that the Company will invest in businesses in varying sectors within the UK, Europe and North America. The performance of sectors in which the Company may invest may be cyclical in nature, with some correlation to gross domestic product and, specifically, levels of demand within targeted end-markets. As a result, the identified sector may be affected by changes in general economic activity levels which are beyond the Company's control but which may have a material adverse effect on the Company's financial condition and prospects. Current macro-environmental factors, such as the war in Ukraine and the COVID-19 pandemic may result in greater demand in certain sectors, and fewer opportunities in others. The Company has a broad investment strategy, which is not restricted by either sector or geographic focus.

The Company may acquire or make investments in companies and businesses that are susceptible to economic recessions or downturns. During periods of adverse economic conditions, the markets in which the Company operates may decline, thereby potentially decreasing revenues and causing financial losses, difficulties in obtaining access to, and fulfilling commitments in respect of, financing, and increased funding costs. In addition, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments and negatively affect the Company's net asset value and operating results. Accordingly, adverse economic conditions could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

In addition, the political risks associated with operating across a broad number of jurisdictions and markets could affect the Company's ability to manage or retain interests in its business activities and could have a material adverse effect on the profitability of its business following an acquisition.

## **Shareholder risks**

- *Trading on AIM*

The Ordinary Shares are admitted to trading on AIM. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The AIM Rules for Companies are less demanding than those which apply to companies traded on the Premium Segment of the Official List. Further, the FCA has not itself examined or approved the contents of this document. A

prospective investor should be aware of the risks of investing in such shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA.

- *Value and liquidity of the Ordinary Shares*

It may be difficult for an investor to realise his, her or its investment. The shares of publicly traded companies can have limited liquidity and their share prices can be highly volatile.

The price at which the Ordinary Shares are traded and the price at which investors may realise their investment are influenced by a large number of factors, some specific to the Company and its operations and others which may affect companies operating within a particular sector or quoted companies generally. A relatively small movement in the value of an investment or the amount of income derived from it may result in a disproportionately large movement, unfavourable as well as favourable, in the value of the Ordinary Shares or the amount of income received in respect thereof.

Shareholders should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment. Furthermore, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets.

The investment opportunity offered in this document may not be suitable for all recipients of this document. Shareholders are therefore strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in advising on investments of this nature before making an investment decision.

- *Investing Company status*

The Company is currently considered to be an Investing Company for the purposes of the AIM Rules. As a result, it may benefit from certain partial carve-outs to the AIM Rules, such as those in relation to the classification of Reverse Takeovers. Were the Company to lose Investing Company status for any reason, such carve-outs would cease to apply. It is anticipated that an acquisition may constitute a Reverse Takeover.

- *The interests of significant Shareholders may conflict with those of other Shareholders*

Approximately 95 per cent. of the Company's issued share capital is held by one Shareholders. Such Shareholders are as a result able to exercise sufficient control over the Company's corporate actions so as not to require the approval of the Company's other Shareholders. The interests of such significant Shareholders may conflict with those of other holders of Ordinary Shares.

- *Dilution of Shareholders' interest as a result of additional equity fundraising*

The Company intends to issue additional Ordinary Shares in subsequent public offerings or private placements to fund acquisitions or as consideration for acquisitions. As Jersey law does not grant Shareholders the benefit of pre-emption rights in relation to a further issue of Ordinary Shares, pre-emption rights have been included in the Company's Articles. However, it is possible that existing Shareholders may not always be offered the right or opportunity to participate in such future share issues, which may dilute the existing Shareholders' interests in the Company.

The Group may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

- *The Company has a controlling Shareholder*

Marwyn Investment Management LLP ("**MIM**"), the manager of the Company's largest shareholder controls approximately 95 per cent. of the issued Ordinary Shares of the Company. As a result, MIM is able to exercise significant influence to pass or veto matters requiring Shareholder approval, including future issues of Ordinary Shares and the election of directors and to veto or seek to approve fundamental changes of business. This concentration of ownership may have the effect of delaying, deferring, deterring or preventing a change in control, depriving Shareholders of the opportunity to receive a premium for their Ordinary Shares as part of a sale of the Company. The interests of MIM may not necessarily be aligned with those of the other Shareholders. Accordingly, MIM could influence the Company's business in a manner that may not be in the interests of other Shareholders. For example, MIM can approve a change of Investment Policy, can prevent special resolutions of the Company being passed and can approve ordinary resolutions of the Company without the assent of any other Shareholders. The concentration of ownership could also affect the market price and liquidity of the Ordinary Shares. If MIM seeks to influence the Company's business in a manner that may not be in the interests of other Shareholders, the Company's business, results of operations, financial condition and prospects, and the trading price of the Ordinary Shares could be adversely affected.

### **Risks relating to legislation and regulations**

- *Legislative and regulatory risks*

Any investment is subject to changes in regulation and legislation. As the direction and impact of changes in regulations can be unpredictable, there is a risk that regulatory developments will not bring about positive changes and opportunities, or that the costs associated with those changes and opportunities will be significant. In particular, there is a risk that regulatory change will bring about a significant downturn in the prospects of one or more acquired businesses, rather than presenting a positive opportunity.

- *Taxation*

There can be no certainty that the current taxation regime in England and Wales or overseas jurisdictions in which the Company may operate in the future will remain in force or that the current levels of corporation taxation will remain unchanged. Any change in the tax status of the Company or to applicable tax legislation may have a material adverse effect on the financial position of the Company.

## **ADVISORS**

### **Nominated Adviser and Broker**

Numis Securities Limited  
The London Stock Exchange Building  
10 Paternoster Square  
London, EC4M 7LT

### **Corporate Finance Adviser**

Marwyn Capital LLP  
11 Buckingham Street  
London, WC2N 6DF

### **Registrar**

Link Market Services (Jersey) Limited  
12 Castle Street  
St Helier, Jersey, JE2 3RT

### **Company Secretary**

Crestbridge Corporate Services Limited  
47 Esplanade  
St Helier, Jersey, JE1 0BD

### **Principal Banker**

Barclays Bank plc  
5 Esplanade  
St Helier, Jersey, JE2 3QA

### **Solicitors to the Company**

Travers Smith  
10 Snow Hill  
London, EC1A 2AL

### **Independent Auditor**

Baker Tilly Channel Islands Limited  
First Floor, Kensington Chambers  
46-50 Kensington Place  
St Helier  
Jersey, JE4 0ZE

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