The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR")

28/06/2024

Valereum Plc ("Valereum" or the "Company")

Results for the 12 months ended 31 December 2023

Valereum Plc (AQSE: VLRM), a company focused on unlocking capital and creating value in tokenised digital markets as both a marketplace operator and leading provider of technology solutions, today announces its results for the twelve months ended 31 December 2023.

Key highlights in 2023:

· Significant reduction in losses to £0.3m from a loss of £4.3m in 2022. This follows gains from the Company's holding in Vinanz Ltd, a listed asset which was received during the year, together with a reduced level of impairments of previous investments.

· Total assets increased to £2.4m (2022: £1.2m) due to the receipt of the Vinanz holding in 2023.

· Net debt reduced to £0.2m (2022: £1.3m) following a £1.3m decrease in the convertible loans owed by the Company. This was achieved through a combination of conversions, repayments and negotiated reductions.

· Expanded Board of Directors from 3 to 6, including 2 Non-Executive Directors. This now provides greater bandwidth and experience following the replacement of the previous management team to support business growth and development.

James Formolli, Chairman, added:

I am greatly encouraged by the advancements made in the last quarter of 2023 and I look forward to building on this progress and delivering value for all of Valereum's stakeholders in 2024 and beyond.

The Company's audited financial results for the 12-month period to 31 December 2023 can be found at www.vlrm.com

For further information, please contact:

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Further updates to follow in due course.

The Directors of the Company accept responsibility for the contents of this announcement.

For more information, please visit www.vlrm.com

Chairman's Statement
Year ended 31 December 2023

Dear Shareholders,

I am delighted to report on a year which resulted in significant changes for Valereum Plc ("Valereum" or "the Company") and its subsidiary (together with the Company, "the Group") as at 31 December 2023.

The Group ended 2023 with an enhanced platform from which to establish a meaningful position in the substantial and rapidly growing asset tokenisation market. The expanded management team with extensive sector knowledge and the agreed acquisition in 2024 of the deep know-how, technologies and relationships held by the GSX Group, provided a solid base for future success.

From this platform, Valereum has quickly developed a compelling vision and strategy built on strong core values of integrity, respect and reputation. The Group is well placed to deliver its plans having made solid progress so far with a strengthening capital position having reached agreement for additional funding of £2.3m so far during 2024 and holding a listed investment valued at £3.5m based on the current listed price (as at 25 June 2024), whilst wholly removing all the convertible debt raised in 2022.

Acquisition of the GSX Group in 2024

The successful acquisition of the GSX Group in January 2024 positions Valereum as a key player in the asset tokenisation sector. Through the acquisition, Valereum has secured considerable intellectual property including technology, know-how, partnerships with sector leading technology providers, prospective long-term users of its solutions and a team which have decades of collective experience within tier-one institutions, specialising in stock exchanges, capital markets and associated technologies, becoming early adopters of the power of blockchain technology in the application of securities settlement.

The acquisition of the entire GSX Group, which supersedes the previous option held by the Group to acquire the GSX Group's stock exchange business, was agreed following the expiry of the deadline for the acquisition of the GSX stock exchange business which was enforced by the Gibraltar Financial Services Commission ("GFSC"). The deadline could no longer be met after delays in the Group's fundraising process, following the temporary suspension of Valereum Plc's shares trading on Aquis due to the deemed reverse takeover.

The rich pool of resources acquired enable Valereum to accelerate its vision to roll-out 'The Bridge' technology platform and Valereum's blockchain powered solutions.

Investment in Vinanz Ltd

During 2023, the Group received 27.3 million shares in Vinanz Ltd as consideration for the sale of its Bitcoin assets which were valued at £273k. These shares were subsequently listed on London's Aquis Stock Exchange and increased in value to £2.3m on 31 December 2023 and have reached a current valuation of £3.5m (as at 25 June 2024).

Financing and Markets

The Group's capital position is strengthening following its agreement to raise a further £2.3m through the issue of shares.

During 2023 arrangements were made to fully extinguish the Group's remaining outstanding convertible loans through a combination of repayment and write off such that they were fully extinguished in April 2024.

Further in 2023, the Group cancelled 5,000,000 share warrants from its General Share Option Scheme. The warrants outstanding, other than those issued during the year, have not been fully established by the Directors and continue to be assessed by them. In the meantime, from a conservative perspective, the Directors have reflected these warrants at the carrying value of £649,300.

The Group has applied for its shares to be publicly cross traded on the OTCQB Market based in the US, which upon approval, would make Valereum's shares more widely available to North American investors, aligning with the Group's aims to deliver shareholder value and increase the business footprint globally.

Board and Governance

During the final quarter of 2023, Valereum's Board of Directors was strengthened and established enhanced levels of Governance.

The Board expanded from 3 to 6, following the resignation of Richard Poulden as Executive Chairman in October 2023. The executive appointments of Nicholas Cowan as CEO, Karl Moss as CFO, and Peter Sekhon as Investor Relations Director, alongside myself as Executive Chairman were complemented by the appointment of Gary Cottle and Simon Brickles as Non-Executive Directors. All members of the Board have complemented each other well and have made significant contributions to Valereum's progress since joining the Group.

Immediately after formation, a governance review was performed resulting in the expansion of the Group's Governance protocols including the establishment of Audit, Nomination and Remuneration Committees consisting of a majority of Non-Executive directors.

Rebranding

Valereum has also completed a transformation of the brand's public image, aligned with its enhanced vision and its updated core focused on integrity, respect and reputation.

Outlook and our focus for the year ahead

Valereum's highly capable and experienced management team and workforce is focused on grasping the considerable opportunities in the asset tokenisation market and is excited about ensuring that Valereum stands at the forefront of advancements in the financial landscape, leveraging its resources for sustained growth and future success.

We aim to promote our values of integrity, respect and reputation to make a real impact on the legacy challenges that face the capital markets, building a global blockchain infrastructure to transform finance, unlock capital and create value as more institutional players increasingly adopt innovative solutions and incorporate blockchain-powered applications into their operations.

Our principal aim is to deliver attractive and sustainable returns for the benefit of our shareholders and other stakeholders in the medium and long term.

I would particularly like to thank all stakeholders for their (immense) support and effort during recent months. We will continue to announce news in due course as our plans materialise.

James Formolli

Chairman

28 June 2024

Directors' Report
Year ended 31 December 2023

The Directors are delighted to present their report together with audited consolidated financial statements of Valereum Plc ("VLRM" or "the Company") and its subsidiary (together with the Company, "the Group") for the year ended 31 December 2023.

Principal activities

The main focus for VLRM is to unlock capital and create value in tokenised digital markets, as an exchange and market operator and a leading provider of technology solutions. It aims to capitalise on the regulatory shifts and rapidly expanding adoption of blockchain technology together with its deep knowledge, expertise and technology to deliver an enhanced experience to issuers and investors and other users across financial markets.

Results

The Group's results for the year are shown in the Statement of Total Comprehensive Income on page 17.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2023.

Business review

Please refer to the Chairman's Statement on page 5.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are those of the pace of adoption of its innovative technology solutions. Following the expansion of management and its workforce and the acquisition of the GSX Group in 2024 including its intellectual property across the sector, the Group possesses deep knowledge, experience and relationships in the sector including developing and operating exchanges and developing their underlying technology.

Financial risk management policies

Note 15 sets out the Group's financial risk management policies for its exposure to various risks.

Post balance sheet events

Post balance sheet events are disclosed in note 21.

Directors

The Directors who served during the year and their remuneration and consultancy fees were as follows:

	Consultancy fees	Remuneration
	£	£
Richard O'Dell Poulden	166,667	-
Patrick L Young	344,000	-
Alan David Gravett	22,014	-
James Formolli	-	20,000
Peter Sekhon	-	15,000
Nicholas Cowan	-	10,000
Simon Brickles	-	-
Gary Cottle	-	-
Karl Moss	-	5,000
	532,681	50,000

Consultancy fees paid to Richard Poulden include fees paid to Black Swan FZE of which he is also the Chairman. The directors claimed expenses they had incurred on behalf of the Group of £15,346 (2022: £84,779).

The Directors have the following interests in the issued share capital of the Group:

	Number of ordinary shares
James Formolli	10,614,286
Nicholas Cowan	596,774
Peter Sekhon	787,184
Karl Moss	80,596

Corporate governance

The Directors have, so far as is practicable given the Group's size and the constitution of the board, complied with all corporate governance provisions. On 2 September 2018, the Group adopted a new Code of Governance based on the QCA Corporate Governance Code on a comply or explain basis, with the appropriate disclosures as required by Aquis Access Rulebook. This code is available on the Group's website and has been updated for the current year.

On 2 February 2024, the Directors enhanced the level of compliance with the QCA Corporate Governance Code including establishing and adopted terms of reference for an Audit Committee, a Nomination Committee and a Remuneration Committee.

The audit committee is comprised of James Formolli, Gary Cottle and Simon Brickles and is chaired by Simon Brickles. It is responsible for a wide range of matters including monitoring the integrity of the consolidated financial statements of the Group and any other formal announcement relating to its financial performance. It also has oversight of the relationship with the financial auditor.

The nominations committee is comprised of James Formolli, Gary Cottle and Simon Brickles and is chaired by James Formolli. Its key responsibilities are to assess the skills of Directors, and to ensure succession planning for all Group Boards and Committees and identifying and selecting candidates as required.

The remuneration committee is comprised of James Formolli, Gary Cottle and Simon Brickles and is chaired by Gary Cottle. It is responsible for assessing and reviewing the remuneration packages of the Directors. The remuneration policy of the Executive Directors is designed carefully to attract, retain and motivate Directors to execute effectively the strategic objectives of the Group to enhance shareholder returns.

Going Concern

Although the Group's total loss before tax narrowed significantly to £353,315 for the year ended 31 December 2023 (2022: £4,245,160), the Group continues to incur losses as it develops its technology and prepares for the launch of its technology solutions. At the end of the year, the accounts show that the Group held 27,325,171 shares in Vinanz Ltd, a listed equity investment of £2,322,639 (2022: £nil) based on its closing price of 8.5p per share on 31 December 2023 (which has subsequently increased to £3.5m based on 12.875p per share as at 25 June 2024), cash balances totaling

£31,932 (2022: £92,528) and current liabilities of £2,085,099 (2022: £1,946,556). Administrative costs, excluding share-based payments expense and impairment loss during the year were £1,526,154 (2022: £1,839,680).

Since October 2023, the Group has undergone a significant transformation following the replacement of the entire management team with an expanded new team, the acquisition of GSX Group Limited in 2024, the full settlement of the convertible loans and the raising of £2,300,000 funding from its Chairman which have all been well received by the markets. It is noted that £300,000 has already been received and the £2,000,000 is due to be received in July 2024. The Directors also plan to maximise the realisation of the Company's investments whenever appropriate. In addition, the Group is in discussion with a number of potential investors and is confident that it will secure additional funding in 2024. This funding provides the Group with working capital to create the platform for future growth. Furthermore, the liabilities as at 31 December 2023 are expected to be reduced following the conclusion of ongoing negotiations with creditors which have been taking place during 2024. The going concern relies on the above matters.

The Directors believe that the Group can continue to manage its business risks as it continues to develop quickly and have a reasonable expectation that it can continue to have operational existence for the foreseeable future and in particular the next twelve months from the date of signing these consolidated financial statements. Accordingly, the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

Events after the reporting year

Since 31 December 2023, the Group has raised £2,300,000 of funding through the following subscriptions for ordinary shares:

- On 28 March 2024, the Group raised £300,000 from James Formolli through issuing 5,000,000 new ordinary shares of £0.001 each at a price of £0.06 per share and issued Warrants over new ordinary shares of £0.001 at par.
- On 31 May 2024, the Group entered into an unconditional agreement to raise £2,000,000 from James Formolli through issuing 55,411,752 new ordinary shares of £0.001 each at a price of £0.036 per share.

The Group has settled £157,669 of the loans outstanding as at 31 December 2023 as follows:
On 28 March 2024, the Group repaid in full the loan of £40,000 outstanding to James Formolli.
On 4 April 2024, the Group repaid in full the loan of £117,669 outstanding to the convertible loan note holders.

On 30 January 2024, the Group acquired the entire share capital of the GSX Group Ltd for a consideration of 5,000,000 ordinary shares of £0.001 each in Valereum plc and the issue of Warrants over 10,000,000 ordinary shares of £0.001 each in Valereum plc at an exercise price of £0.01 per share.

On 3 January 2024, the Group’s acquired 0.2% of share capital of its subsidiary Valereum Collections Limited for a consideration of 2,517,857 ordinary shares of £0.001 each and now owns 100% of Valereum Collections Ltd.

In 2024, agreements have been reached with certain creditors to settle the recorded liabilities as at 31 December 2023 for reduced amounts.

Statement regarding disclosure of information to the Auditors

Each Director of the Group has confirmed that, in fulfilling their duties as a director, they are aware of no relevant audit information of which the Auditors are not aware of and that they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of Gibraltar Companies Act 2014.

Auditors

The statutory auditors are RSM Audit (Gibraltar) Limited.

A resolution for the reappointment of RSM Audit (Gibraltar) Limited will be put to the members at the annual general meeting.

By order of the board

James Formolli

Director

28 June 2024

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare consolidated financial statements for each financial year, which give a true and fair view of the state of affairs and of the profit or loss of the Group for that year. In preparing those consolidated financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and estimates that are reasonable and prudent;
c. state whether applicable accounting standards have been followed, subject to any material departures; and
d. prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the Group and to enable them to ensure that the consolidated financial statements comply with the requirements of the Gibraltar Companies Act 2014. Specifically, pursuant to section 248 of the Companies Act, the Directors have elected to follow International Financial Reporting Standards as adopted by the United Kingdom. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate consolidated financial statements included on the Group's website. Legislation in Gibraltar governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

James Formolli
Director

28 June 2024

Independent auditor's report
To the shareholders of Valereum Plc
Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Valereum Plc (the "Company") and its subsidiary ("the Group"), which comprise the consolidated statement of financial position and company statement of financial position as at 31 December 2023, and the consolidated statement of total comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended 31 December 2023, and notes to the company and 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 state of the Group's affairs as at 31 December 2023 and of the Group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted for use in the United Kingdom ("IFRS"); and
- have been prepared in accordance with the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), 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.

Material uncertainty related to going concern

The consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern. As discussed in note 2 to the consolidated financial statements, the Group has incurred a net loss for the year and has accumulated losses from prior years.

The going concern ability of the Group relies on a number of matters including the ability to raise further capital, realisation of its investments, and successfully develop its business. These circumstances and conditions raise doubts about the Group's ability to continue as a going concern.

Management's plans are described in note 2 together with the disclosures in the Directors' Report and Chairman's Statement.

The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the audit committee
Going concern assessment • As disclosed in Note 2, the consolidated financial statements have been prepared on a going concern basis. • As at 31 December 2023, the Group has net current liabilities of £1,971,943 (2022: net current liabilities of £1,631,326 as restated). In addition, the Group continues to incur losses. For the year ended 31 December 2023, the Group also has a total loss before tax of £353,315 (2022: £4,245,160). At the end of the year, the accounts show that the Group held cash balances totaling £31,932 (2022: £92,528). Administrative costs, excluding interest expense, share-based payments expense, and impairment loss during the year, were £1,526,154 (2022: £1,839,216). This would normally indicate that Group may not be able to cover the Group's expenses for the next twelve months from the date of the approval of the consolidated financial statements. • The going concern ability of the Group relies on a number of matters including the ability to raise further capital, realisation of its investments, and successfully develop its business. • There is a risk that a material uncertainty could exist related to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. • The Group closely monitors and manages its capital position and liquidity risk regularly throughout the year to ensure that it has sufficient funds to meet forecast cash requirements and satisfy the working capital requirements and acquisitions. Taking into account the ability of the Group to raise adequate funding, the Board of Directors is confident that the Group has access to sufficient funds to enable the Group to meet its liabilities as and when they fall due for at least the next twelve months.	Our procedures in relation to management's going concern assessment included: • We identified that the most significant assumptions in assessing the Group's ability to continue as a going concern were its ability to raise further capital, realisation of its investments, and successfully develop its business. The calculations supporting the assessment require management to make highly subjective judgements. The assessments are based on estimates of future events and are fundamental in determining the suitability of the basis adopted for the preparation of the consolidated financial statements. We have reviewed these assumptions and calculations; • We noted that the Group relies on the injection of funds by its Chairman. It is noted that £300,000 funding has already been received and £2,000,000 is due to be received in July 2024; • The Group's liquidity also depends on the realisation of its investments in shares; • The Group relies on additional capital from potential investors and is confident that it will secure additional funding in 2024; and, • The liabilities as at 31 December 2023 are expected to be reduced following the conclusion of ongoing negotiations with creditors which have been taking place during 2024.	We concluded that no further disclosures relating to the Group's ability to continue as a going concern need to be made in the financial statements. We nevertheless believe that there is material uncertainty and therefore, we included a material uncertainty related to going concern paragraph in our audit report.

Materiality

The concept of materiality is fundamental to the preparation of the Group's consolidated financial statements and the audit process. Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole.

For the purposes of an audit, misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Materiality is considered at both the overall financial statement level ("financial statement materiality") and, if applicable, in relation to individual account balances, classes of transactions and disclosures ("element materiality") and is used as a threshold or benchmark against which errors or differences of opinion between management and ourselves can be evaluated.

The consolidated financial statement materiality calculated for the Group is £24,500 which was determined on the basis of 7% of the Group's net assets as at 31 December 2023.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with applicable law in Gibraltar and IFRS, and for such internal control as the directors determine is necessary to enable the presentation 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group, or to cease operations, or have 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 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2014

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

- the information given in the Directors’ Report for the financial year for which the consolidated financial statements are prepared is consistent with the financial statements; and
- the Directors’ Report has been prepared in accordance with the requirements of the Companies Act 2014.
- 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 any material misstatements in the Directors’ Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the matter where the Companies Act 2014 requires us to report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

Use of our report

This report, including the opinion, has been prepared for and only for the Group’s members as a body in accordance with Section 257 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SVM Cohen
Statutory auditor

For and on behalf of
RSM Audit (Gibraltar) Limited

21 Engineer Lane
Gibraltar

28 June 2024

Consolidated Statement of Total Comprehensive Income
for the year ended 31 December 2023

	Notes	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Administrative expenses		(2,637,954)	(4,277,717)
Operating loss	4	(2,637,954)	(4,277,717)
Gain on revaluation of financial asset	11	2,049,388	-
Interest income		19,432	31,021
Interest expense		(581)	-
Foreign exchange gain		1,313	1,536
Other income		215,087	-
Loss before taxation		(353,315)	(4,245,160)
Tax on loss	6	-	-
Loss for the financial year		(353,315)	(4,245,160)
Other comprehensive income (loss)			
Items that may not be reclassified subsequently to profit or loss:			
Unrealised gain/(loss) on crypto assets		58,677	(23,677)
Other comprehensive income (loss) for the year		58,677	(23,677)
Total comprehensive loss for the year		(249,638)	(4,268,837)
Total comprehensive loss for the year attributable to:			
Equity holders of the parent		(249,638)	(4,268,837)
Non-controlling interests		-	-
Total comprehensive loss for the year		(249,638)	(4,268,837)
Basic and diluted loss per share	7	(0.003)	(0.057)

There are no recognised gains or losses other than disclosed above and there have been no discontinued activities during the year.

The notes on pages 22 to 36 form part of these consolidated financial statements.

Consolidated Statement of Financial Position
as at 31 December 2023

	Notes	31 December 2023 £	Restated 31 December 2022 £
Current assets			
Loans and other receivables	8	81,224	222,792
Cash and cash equivalents		31,932	92,528
		113,156	315,320
Non-current assets			
Property, plant and equipment	9	-	61,010
Intangible asset	10	-	62,280
Investments	11	2,322,639	750,000
		2,322,639	873,290
Total assets		2,435,795	1,188,610
Current liabilities	12	2,085,099	1,946,556
Equity			
Share capital	13	4,148,640	4,131,220
Share premium	13	23,842,357	22,888,797
Revaluation reserve	10	-	62,280
Translation reserve		257,478	257,478
Share-based payments reserve	14	649,300	377,500
Accumulated losses		(28,617,579)	(28,475,221)
		280,196	(757,946)
Non-controlling interest	11	70,500	-
Total equity		350,696	(757,946)
Total equity and liabilities		2,435,795	1,188,610

The consolidated financial statements were approved by the board and authorised for issue on 28 June 2024 and signed on its behalf by:

James Formolli
Director

Karl Moss
Director

The notes on pages 22 to 36 form part of these consolidated financial statements.

Company Statement of Financial Position
as at 31 December 2023

	Notes	31 December 2023	Restated 31 December 2022
		£	£
Current assets			
Loans and other receivables	8	81,224	222,792
Cash and cash equivalents		31,932	92,528
		113,156	315,320
Non-current assets			
Property, plant and equipment	9	-	61,010
Intangible asset	10	-	62,280
Investments	11	2,322,639	750,000
		2,322,639	873,290
Total assets		2,435,795	1,188,610
Current liabilities	12	2,155,599	1,946,556
Equity			
Share capital	13	4,148,640	4,131,220
Share premium	13	23,842,357	22,888,797
Revaluation reserve	10	-	62,280
Translation reserve		257,478	257,478
Share-based payments reserve	14	649,300	377,500
Accumulated losses		(28,617,579)	(28,475,221)
Total equity		280,196	(757,946)
Total equity and liabilities		2,435,795	1,188,610

The company financial statements were approved by the board and authorised for issue on 28 June 2024 and signed on its behalf by:

James Formolli
Director

Karl Moss
Director

The notes on pages 22 to 36 form part of these consolidated financial statements.

Valereum Plc

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

	Notes	Share Capital £	Share Premium £	Translation Reserve £	Revaluation Reserve £	Share-based Payments Reserve £	Accumulated Losses £	Total £	Non-Controlling Interest £	Total Equity
Balance at 31 December 2021		4,125,594	22,066,933	257,478	85,957	153,500	(24,178,501)	2,510,961	-	2,510,961
Restatement	20						(51,560)	(51,560)	-	(51,560)
Balance at 31 December 2021, as restated		4,125,594	22,066,933	257,478	85,957	153,500	(24,230,061)	2,459,401	-	2,459,401
Comprehensive loss for the year	10	-	-	-	(23,677)	-	(4,245,160)	(4,268,837)	-	(4,268,837)
Share-based payments	14	-	-	-	-	224,000	-	224,000	-	224,000
Shares issued during the year	13	5,626	821,864	-	-	-	-	827,490	-	827,490
Balance at 31 December 2022, as restated		4,131,220	22,888,797	257,478	62,280	377,500	(28,475,221)	(757,946)	-	(757,946)
Comprehensive loss for the year	10	-	-	-	58,677	-	(353,315)	(294,638)	-	(294,638)
Share-based payments	14	-	-	-	-	361,800	-	361,800		361,800
Transfers	10, 14	-	-	-	(120,957)	(90,000)	210,957	-	-	-
Shares issued during the year	13, 11	17,420	953,560	-	-	-	-	970,980	70,500	1,041,480
Balance at 31 December 2023		4,148,640	23,842,357	257,478	-	649,300	(28,617,579)	280,196	70,500	350,696

The notes on pages 22 to 36 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows
Year ended 31 December 2023

	Notes	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Cash flows from operating activities			
Loss for the year		(294,638)	(4,268,837)
Reconciliation to cash generated from operations:			
Unrealised loss on crypto assets	10	-	23,677
Realised gain on crypto assets	10	(58,677)	-
Revaluation gain on equity investments	11	(2,049,388)	-
Equity settled share-based payments expense	14	361,800	224,000
Gain on disposal of fixed asset	9	(103,093)	-
Impairment of investments	11	750,000	2,214,501
Depreciation	9	11,808	47,233
Decrease in receivables		141,569	57,979
(Decrease)/Increase in payables		(1,457)	1,721,608
Net cash flow from operating activities		(1,242,076)	20,161
Cash flows from investing activities			
Payment for acquisition of investments	11	-	(2,187,500)
Net cash flow from investing activities		-	(2,187,500)
Cash flows from financing activities			
Loan proceeds	12,19	140,000	-
Issue of shares	13	1,041,480	827,490
Net cash flow from financing activities		1,181,480	827,490
Net decrease in cash		(60,596)	(1,339,849)
Cash at bank and in hand at the start of the year		92,528	1,432,377
Cash at bank and in hand at the end of the year		31,932	92,528

The notes on pages 22 to 36 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2023

1 General Information

Valereum Plc ("VLRM" or "the Company"), previously known as Upper Thames Holdings Plc and thereafter Valereum Blockchain Plc, is incorporated in Gibraltar. The registered office is 6.20 World Trade Center, 6 Bayside Road, GX11 1AA, Gibraltar.

These consolidated financial statements as at 31 December 2023 and for the year then ended comprise the Company and its subsidiary, Valereum Collections Ltd (together referred to as the "the Group").

2 Accounting Policies

The principal accounting policies adopted by the Group in the preparation of its consolidated financial statements for the year ended 31 December 2023 with comparatives for the year ended 31 December 2022 is set out below. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and Interpretations issued by the IFRS Interpretations Committee ("IFRIC") as adopted by the United Kingdom and with those parts of the Gibraltar Companies Act applicable to companies reporting under IFRS. These are the standards, subsequent amendments and related interpretations issued and adopted by the International Accounting Standards Board ("IASB") that have been endorsed by the United Kingdom at the year-end. The consolidated financial statements have been prepared under the historical cost convention.

Going concern

Although the Group's total loss before tax narrowed significantly to £353,315 for the year ended 31 December 2023 (2022: £4,245,160), the Group continues to incur losses as it develops its technology and prepares for the launch of its technology solutions. At the end of the year, the accounts show that the Group held 27,325,171 shares in Vinanz Ltd, a listed equity investment of £2,322,639 (2022: £nil) based on its closing price of 8.5p per share on 31 December 2023 (which has subsequently increased to £3.5m based on 12.875p per share as at 25 June 2024), cash balances totaling £31,932 (2022: £92,528) and current liabilities of £2,085,099 (2022: £1,946,556). Administrative costs, excluding share-based payments expense and impairment loss during the year were £1,526,154 (2022: £1,839,216).

Since October 2023, the Group has undergone a significant transformation following the replacement of the entire management team with an expanded new team, the acquisition of GSX Group Limited in 2024, the full settlement of the convertible loans and the raising of £2,300,000 funding from its Chairman which have all been well received by the markets. It is noted that £300,000 has already been received and the £2,000,000 is due to be received in July 2024. The Directors also plan to maximise the realisation of the Company's investments whenever appropriate. In addition, the Group is in discussion with a number of potential investors and is confident that it will secure additional funding in 2024. This funding provides the Group with working capital to create the platform for future growth. Furthermore, the liabilities as at 31 December 2023 are expected to be reduced following the conclusion of ongoing negotiations with creditors which have been taking place during 2024. The going concern relies on the above matters.

The Directors believe that the Group can continue to manage its business risks as it continues to develop further and have a reasonable expectation that it can continue to have operational existence for the foreseeable future and in particular the next twelve months from the date of signing these consolidated financial statements. Accordingly, the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet, respectively.

Functional and presentational currencies

The individual financial information of the entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). Since 1 January 2021, the functional currency of the Group has been Pounds Sterling ("£") as The Board of Directors consider that the Group's assets and liabilities are predominantly £ denominated and that reporting in £ reduces exposure to exchange differences in its reported results.

The consolidated financial statements are presented in £ including the comparative figures. All amounts are recorded in the nearest £, except when otherwise indicated.

Foreign currencies

Monetary assets and liabilities have been translated at rates in effect at the statement of financial position date, with any exchange adjustments being charged or credited to profit or loss.

In the cash flow statement, cash flows denominated in foreign currencies are translated into the presentational currency of the Group at the average exchange rate for the period or at the prevailing rate at the time of the transaction where more appropriate.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when VLRM becomes a party to the contractual provisions of the instrument.

Loans and receivables

Loans and receivables are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less provision for impairment.

Financial assets at fair value through profit or loss (FVTPL)

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transactions costs that are directly attributable to the acquisition of the financial asset. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable market.

Financial assets at fair value through profit or loss (FVTPL) (continued)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Investments in equity instruments are classified as at FVTPL.

Impairment of financial assets

The Group has adopted the expected credit loss model ("ECL") in IFRS 9. The ECL is to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group only holds trade and other receivables with no financing component and therefore has adopted an approach similar to the simplified approach to ECLs.

Provision for impairment (or the ECL) is established based from full lifetime ECL and when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable.

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

Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Equity comprises the following:
Share capital represents amounts subscribed for shares at nominal value.
Share premium represents amounts subscribed for share capital in excess of nominal value.
Accumulated losses represent the accumulated profits and losses attributable to equity shareholders.
Other reserves include translation reserve, revaluation reserve, and share-based payments reserve.

Intangible assets

The intangible assets relate to virtual currencies held by the entity on its own behalf. The virtual currencies held by the Group until 20 April 2023 were Bitcoins, which have active markets. These have been recognised at fair value, and subsequently revalued in accordance with the revaluation provisions of IAS 38. Under the revaluation model, the intangible assets are initially recognised at cost and subsequently measured at fair value, with movements above cost (i.e., unrealised gains) recognised as other comprehensive income in the statement of total comprehensive income and accumulated in revaluation reserve within equity, while movements below cost (i.e., unrealised losses) recognised in the profit and loss account. When an intangible asset is disposed of, the realised gain or loss on disposal is included in the profit and loss account.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Cost is depreciated on a straight-line basis over their expected useful lives as follows:

Computer equipment	3 years

Share-based payments

The Group has historically issued warrants and share options in consideration for services. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Standards, amendments and interpretations to existing standards that are effective in 2023

The following new standards, amendments and interpretations to existing standards have been adopted by the Group during the year but have had no significant impact on the consolidated financial statements of the Group:

Amendments to IAS 1, 'Presentation of Financial Statements' (effective from 01 January 2023). The amendment provides guidelines on disclosures of accounting policies and material judgements in the financial statements.

Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors (effective from 01 January 2023). The amendment provides additional guidance on the definition of accounting estimates, application of changes in estimates and distinction of errors between estimates.

New standards, amendments and interpretations to existing standards that are not yet effective or have not been early adopted by the Group

At the date of authorisation of these consolidated financial statements, the following standards and interpretations were in issue but not yet mandatorily effective and have not been applied in these consolidated financial statements:

Amendments to IFRS 16, 'Lease Liability in a Sale and Leaseback' (effective from 1 January 2024). The amendments. The amendments require seller-lessee to apply the subsequent measurement requirements for lease liabilities unrelated to a sale and leaseback transaction to lease liabilities arising from a leaseback in a way that it recognises no amount of the gain or loss related to the right of use that it retains. The amendments will require seller-lessee to reassess and potentially restate sale and leaseback transactions entered since 2019.

New standards, amendments and interpretations to existing standards that are not yet effective or have not been early adopted by the Group (continued)

- IAS 1 (Amendments), 'Presentation of Financial Statements – Classification of Liabilities at Current or Non-current' (effective from 1 January 2024). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
- Lack of Exchangeability (Amendment to IAS 21, The Effects of Changes in Foreign Exchange Rates) applies when one currency cannot be exchanged into another. This may occur, for example, because of government-imposed controls on capital imports and exports, or a limitation on the volume of foreign currency transactions that can be undertaken at an official exchange rate. The amendments clarify when a currency is considered exchangeable into another currency, and how an entity estimates a spot rate for currencies that lack exchangeability. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.

The Group assessed that there is no significant impact of the adoption of the new or amended Accounting Standards and Interpretations on the Group's consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3 Critical accounting estimates and judgements

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations uncertainty (see below) that management has made in the process of applying the Group's accounting policies and which have the significant effect on the amounts recognised in the consolidated financial statements.

Going concern

The preparation of the consolidated financial statements is based on the going concern assumption as disclosed in note 2. The Board of Directors, after taking into consideration the planned business activity and forecasts, believe the going concern assumption is appropriate.

Measurement of fair values

When measuring the fair value of an asset or liability, the Group uses observable market data as far as is possible. As at 31 December 2023, the Group owned 27,325,171 shares in Vinanz Ltd, a company listed on London's AQUIS Stock Exchange which were valued at £2,322,639 based on Vinanz Ltd's closing share price of 8.5p per share on 31 December 2023.

Assessment of significant influence

Although the Group owns more than 20% percent of the outstanding shares of its investees as at 31 December 2023, the Group believes that there is no significant influence in accordance with the considerations enumerated in the standards.

Determination of functional currency

As disclosed in note 2, the Group changed its functional and presentational currencies with effect from 1 January 2021. The Directors considers £ to be the currency that most faithfully represents the economic effect of the underlying transactions, cash flows, events and conditions of the Group. The £ is the currency in which the Group measures its performance and reports its results, as well as the currency in which it assesses the viability of projects.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period include the following.

Expected credit losses of loan receivables and provision for impairment of investments

Under IFRS 9, a provision should be made for expected credit losses that result from default events on the financial instruments. Default events are events that trigger impairment such as:

- financial covenant breach
- insolvency of the counterparty
- counterparty credit rating downgrade to the lowest rating given by a credit rating agency (e.g. Moody's, S&P, Fitch).

As at 31 December 2023, the Group recognized an impairment loss of £750,000 to fully write off the remaining investment cost of GSX Ltd.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with non-employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using market available information and methods as well as taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Share-based payments calculations inherently require judgements and assumptions in calculating the fair value. Share based payments expense during the year amounted to £361,800 (2022: £224,000). As disclosed in note 14, the fair value of share warrants granted in 2023 was £361,800 (2022: £224,000) and the fair value of the share warrants exercised during the year was nil (2022: £nil). The fair value of share warrants outstanding as at 31 December 2023 is £649,300 (2022: £377,500).

The warrants outstanding, other than those issued during the year, have not been fully established by the Directors and continue to be assessed by them. In the meantime, from a conservative perspective, the Directors have reflected these warrants at the carrying value of £649,300.

4 Operating loss

Operating loss is stated after charging the following:

	31 December 2023	31 December 2022
	£	£
Fees payable to the Group's auditor for the audit of the consolidated financial statements	35,950	29,950
Remuneration of directors of the Group	582,681	585,000
Share-based payment expense	361,800	224,000
Impairment loss	750,000	2,214,501

5 Staff costs

During the year ended 31 December 2023, excluding Directors, the average number of people employed by the Group was nil (2022: nil). During the year ended 31 December 2023, the Group paid wages and salaries of £50,000 (2022: £nil). Until 25 October 2023, the Group employed a Chief Financial Officer and a General Manager as consultants.

No staff other than the directors are considered key management personnel.

6 Taxation

The Group is subject to corporation tax in Gibraltar on any profits, which are accrued in or derived from Gibraltar or any passive income which is taxable. The corporation tax rate in Gibraltar is 12.5%. The Group has no operations in Gibraltar which are taxable.

The Group has taxable losses to carry forward, consequently no provision for corporate tax has been made in these consolidated financial statements.

As at 31 December 2023 and 31 December 2022, the Group has not recognised deferred tax assets and has no deferred tax liabilities.

7 Basic and diluted loss per share

	31 December 2023 £	31 December 2022 £
Loss attributable to ordinary shareholders	(294,638)	(4,268,837)
Weighted average number of new ordinary shares at end of the period	79,224,628	73,598,453
Issued ordinary shares at the beginning of the period	79,224,628	73,598,453
Effect of share issued during the year	12,285,625	75,019,425
Weighted average number of new ordinary shares at 31 December	91,510,253	75,019,425
Basic loss per share	(0.003)	(0.057)

Basic loss per share has been calculated by dividing the net results attributable to ordinary shareholders by the weighted average number of shares in issue during the period. Due to the Group being loss making, any warrants are anti-dilutive.

8 Loans and other receivables

Group and Company	31 December 2023 £	Restated 31 December 2022 £
Loan receivable	79,784	221,352
Prepayments and accrued income (note 20)	1,440	1,440
	81,224	222,792

The loan receivable is payable on demand and attracts an interest of 12% per annum.

9 Property, plant and equipment

Group and Company	31 December 2023 £	31 December 2022 £
Cost		
As at 1 January	141,700	141,700
Additions during the year	-	-
Disposals during the year	(141,700)	-
As at 31 December	-	141,700
Accumulated Depreciation		
As at 1 January	80,690	33,457
Depreciation charges during the year	11,808	47,233
Disposals during the year	(92,498)	-
As at 31 December	-	80,690
Net Book Value		
As at 31 December	-	61,010

The property, plant and equipment consisted of computer equipment used in mining Bitcoin crypto assets. In April 2023, the equipment together with the Bitcoin crypto assets were disposed by the Group to Vinanz Ltd in exchange for its 27,325,171 ordinary shares as disclosed in note 11. The gain on disposal amounted to £103,093.

10 Intangible assets

Group and Company	31 December 2023 £	31 December 2022 £
Cost		
As at 1 January	62,280	85,957
Revaluation	58,677	(23,677)
Disposals during the year	(120,957)	-
As at 31 December	-	62,280

The intangible assets consisted of Bitcoin crypto assets which were mined by the Group. These assets were disposed during the year as disclosed in notes 9 and 11.

11 Investments

Group and Company	31 December 2023 £	31 December 2022 £
Cost		
As at 1 January	750,000	777,001

Additions	273,251	2,187,500
Impairment	(750,000)	(2,214,501)
Revaluation to fair value	2,049,388	-
As at 31 December	2,322,639	750,000

On 21 April 2023, the Group disposed its computer equipment to Vinanz Ltd ("Vinanz") in exchange for its 27,325,171 ordinary shares with no par value at a valuation of £0.01 per share. These shares were subsequently listed on London's AQUIS Stock Exchange and increased in value to £2,322,639 based on Vinanz' closing share price of 8.5p per share on 31 December 2023.

An impairment charge of £750,000 was recognised during 2023 (2022: £2,212,501) in respect of the Group's residual investment in GSX Limited after the conditions met by the Gibraltar Financial Services Commission were not met by the deadline of 28 September 2023 and accordingly the acquisition was not concluded.

As at 31 December 2022, the Directors believe that the value of the investments in GSX representing 50% share in the Company is £750,000. Accordingly, an impairment loss to £2,212,501 was recognized.

In 2022, the Group also wrote off £2,000 of capitalised option fees after deciding not to proceed with the purchase of the entire issued share capital of Juno Holdings Limited.

On 6 December 2022, the Company established Valereum Collections Ltd. The cost of the investment is negligible and has not been recognized. On 31 March 2023, Valereum Collections Ltd issued a total of 11,280 new ordinary shares of £0.0001 each at a price of £6.25 per share which raised £70,500 and as at 31 December 2023, the Group owned 99.8% of Valereum Collections Ltd.

12 Current liabilities

Group	**31 December 2023 £**	**31 December 2022 £**
Other payables including taxation and social security	1,787,436	446,329
Loan from noteholders	117,669	1,400,409
Other loans	100,000	-
Due to related party undertakings (Note 19)	40,000	65,501
Accruals and deferred income	39,994	34,317
	2,085,099	1,946,556

Company	**31 December 2023 £**	**31 December 2022 £**
Other payables including taxation and social security	1,787,436	446,329
Loan from noteholders	117,669	1,400,409
Other loans	100,000	-
Due to related party undertakings (Note 19)	71,000	65,501
Accruals and deferred income	39,494	34,317
	2,155,599	1,946,556

The Group entered into an investment agreement with YA II PN, Ltd and Riverfort Global Opportunities PCC Limited on 26 January 2022. The noteholders agreed to advance a total of up to $10,000,000 to the Group. The purpose of this investment funding facility was to finance the exercise of the option to acquire the issued share capital of GSX Limited and serve as general working capital of the Group. The loan was convertible into ordinary shares of the Group at the discretion of the noteholders. As at 31 December 2022, the Group had advanced a total amount of $3,000,000. At 31 December 2023, the outstanding balance was £117,669 (2022: £1,400,409) following conversions as detailed in note 13 together with repayments of £199,767 (2022: nil). An amount of £111,994 (2022: nil) was written off following a repayment agreement reached with noteholders on 24 November 2023.

On 13 December 2023, the Group entered into a loan agreement for £100,000 repayable on 31 January 2024 with a fixed interest rate of 1% per month.

Other payables include amounts due to current and previous directors amounting to £840,347 (2022: £261,666) in respect of their remuneration as disclosed in note 19.

Other payables as at 31 December 2023 are expected to be reduced following the conclusion of on-going negotiations with creditors which have been taking place during 2024 as disclosed in note 21.

13 Share capital

	31 December 2023	**31 December 2022**
Authorised:	**£**	**£**
Ordinary shares of GBP 0.001 each	6,000,000	6,000,000

Allotted and called up:

	31 December 2023 Number of shares	**31 December 2023 Share capital £**	**31 December 2023 Share premium £**	**31 December 2022 Number of shares**	**31 December 2022 Share capital £**	**31 December 2022 Share premium £**
As at 1 January	79,224,628	4,131,220	22,888,797	73,598,453	4,125,594	22,066,933
Issued during the year	22,420,080	17,420	953,560	5,626,175	5,626	821,864
Warrants exercised during the year	-	-	-	-	-	-
As at 31 December	101,644,708	4,148,640	23,842,857	79,224,628	4,131,220	22,888,797

On 16 January 2023, the Group issued 1,849,225 new ordinary shares of 0.1 pence each at a price of 8.8448 pence per share which totals to £163,560 (US$200,000) following the conversion notice received by the Group under the terms of the funding facility as discussed in note 12.

On 20 February 2023, the Group issued 2,197,844 new ordinary shares of 0.1 pence each at a price of 7.5847 pence per share which totals to £166,660 (US$200,000) following the conversion notice received by the Group under the terms of the funding facility as discussed in note 12.

On 27 March 2023, the Group issued 2,836,002 new ordinary shares of 0.1 pence each at a price of 5.7687 pence per share which totals to £163,600 (US$200,000) following the conversion notice received by the Group under the terms of the funding facility as discussed in note 12.

On 21 April 2023, the Group issued 3,425,425 new ordinary shares of 0.1 pence each at a price of 4.7112 pence per share which totals to £161,380 (US$200,000) following the conversion notice received by the Group under the terms of the funding facility as discussed in note 12.

On 16 May 2023, the Group issued 3,690,575 new ordinary shares of 0.1 pence each at a price of 4.3289 pence per share which totals to £159,760 (US$200,000) following the conversion notice received by the Group under the terms of the funding facility as discussed in note 12.

On 16 June 2023, the Group issued 3,421,349 new ordinary shares of 0.1 pence each at a price of 4.5602 pence per share which totals to £156,020 (US$200,000) following the conversion notice received by the Group under the terms of the funding facility as discussed in note 12.

14 Share-based payments

Details of the share warrants and options in issue during the year ended 31 December are as follows:

	Number of warrants/options 2023 No	**Average exercise price 2023 £**	**Number of warrants/options 2022 No**	**Average exercise price 2022 £**
Outstanding at 1 January	37,030,317	0.2131	35,764,285	0.2127
Issued during the year	3,300,000	0.0100	1,266,032	0.3412
Cancelled during the year	(5,000,000)	0.0500	-	-
Expired during the year	(1,000,000)	0.2000	-	-
Outstanding at 31 December	34,330,317	0.2177	37,030,317	0.2131

The fair value of share warrants granted in 2023 was £361,800 (2022: £224,000) and the fair value of the share warrants exercised during the year was nil (2022: nil). The fair value of share warrants outstanding as at 31 December 2023 is £649,300 (2022: £377,500). The fair value is determined by using market available information and methods as well as taking into account the terms and conditions upon which the instruments were granted.

During the year, the Group cancelled 5,000,000 share warrants from its General Share Option Scheme. The warrants outstanding, other than those issued during the year, have not been fully established by the Directors and continue to be assessed by them. In the meantime, from a conservative perspective, the Directors have reflected these warrants at the carrying value of £649,300.

15 Financial instruments and financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, loans and other receivables, investments in equity instruments and trade and other payables. The Group's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 2. The Group does not use financial instruments for speculative purposes.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

	December 2023 £	**Restated December 2022 £**
Financial assets:		

Loan receivable	79,784	221,352
Cash and cash equivalents	31,932	92,528
Investments	2,322,639	750,000
	2,434,355	1,063,880
Financial liabilities:		
Loan from noteholders	117,669	1,400,409
Other loans	100,000	-
Due to related party undertaking	40,000	65,501
Other creditors	1,787,436	446,329
Accruals and deferred income	39,994	34,317
	2,085,099	1,946,556

Capital risk management

The Group's objective when managing capital is to ensure that adequate funding and resources are obtained to enable it to develop its projects through to profitability, while in the meantime safeguarding the Group's ability to continue as a going concern. This is aimed at enabling it, once the projects come to fruition, to provide attractive returns for shareholders and benefits for other stakeholders. Capital is sourced from equity and from borrowings, as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 December 2023, nor the year ended 31 December 2022.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management

(a) Market risk

Foreign exchange risk – The Group undertakes certain transactions in foreign currencies. Hence, exposure to exchange rate fluctuations arises.

The Group incurs foreign currency risk on transactions denominated in currencies other than its functional currency. The currency other than the functional currency that gives rise to this risk at Group level is the GBP. At the year end, the Group's exposure to the currency is minimal; accordingly any increase or decrease in the exchange rates relative to the functional currency would not have a significant effect on the consolidated financial statements.

Fair value interest rate risk and cash flow risk – The fair values of financial assets and financial liabilities approximate the carrying amounts of those assets and liabilities reported in the statement of financial position. The Group has interest rate risk with the financial institutions and cash flow risk with its investment in equity securities.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, loans and other receivables, investment in equity instruments, as well as committed transactions. Individual risk limits are set based on limits set by the board. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. Cash is placed with an authorised and regulated electronic money institution. The Group's investment in equity is publicly listed in London's Aquis Stock Exchange. The Group's exposure and the credit ratings of its trading counterparties are monitored by the board of Directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(c) Liquidity risk

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

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Group arise in respect of the ongoing development programs, trade and other payables. Trade and other payables are all payable within 12 months.

The board receives cash flow projections on a regular basis as well as information on cash balances.

The overriding financial risk to the Group during the year was that of liquidity. At the current stage of the Group's development, the major source of funds is likely to be through the injection of new equity capital or a debt facility, or a combination of such sources.

16 Commitments

The Group had no capital commitments as at 31 December 2023.

17 Contingencies

As at 31 December 2023, the Group had a claim which the Directors aggressively disagree, as they believe that the validity of the claim against the Group is weak. Any provision, as necessary, have been reflected in the financial statements.

18 Controlling party

At 31 December 2023, the Directors do not believe there to be any single controlling party.

19 Related party transactions

Transactions with related parties in respect of consultancy fees and remuneration of Directors during the year were as follows:

	Balance as at 1 January 2023	**Consultancy fees**	**Remuneration**	**Settled in cash**	**Balance as at 31 December 2023**
	£	**£**	**£**	**£**	**£**
Richard O'Dell Poulden	133,333	166,667	-	-	300,000
Patrick L Young	120,000	344,000	-	-	464,000
Alan David Gravett	8,333	22,014	-	-	30,347
James Formolli	-	-	20,000	-	20,000
Peter Sekhon	-	-	15,000	(4,000)	11,000
Nicholas Cowan	-	-	10,000	-	10,000
Karl Moss	-	-	5,000	-	5,000
	261,666	532,681	50,000	(4,000)	840,347

Consultancy fees paid to Richard Poulden includes fees paid to Black Swan Plc of which he is also the Chairman. During the year, the Directors claimed expenses they had incurred on behalf of the Group of £15,346 (2022: £84,779). Balance still due to the Directors as at 31 December 2023 in relation to claimed expenses amounted to £82,163 (2022: 67,422).

As at 31 December 2023, the Group owed £40,000 (2022: nil) to James Formolli in respect of a temporary loan.

As at 31 December 2023, there is an outstanding balance due by the Company to Valereum Collections Ltd amounting £71,000 (2022: £65,501) for funds the Company received on behalf of the subsidiary.

20 Restatement of prior year results and balances

Certain amounts in the comparative financial statements and note disclosures have been restated to correct prior period errors. Legal expenses, which was prepaid, amounting £51,560 was not recorded in the financial statements as at and for the year ended 31 December 2021. Accordingly, an adjustment led to a decrease in prepayments within trade and other receivables as at 31 December 2021 and 2022 from £53,000 to £1,440. Consequently, the opening retained earnings for the year ended 31 December 2023 has been adjusted by £51,560.

21 Subsequent events

Since 31 December 2023, the Group has raised £2,300,000 through the following subscriptions for ordinary shares:

- On 28 March 2024, the Group raised £300,000 from James Formolli through issuing 5,000,000 new ordinary shares of £0.001 each at a price of £0.06 per share and issued 5,000,000 Warrants over new ordinary shares of £0.001 at par.
- On 31 May 2024, the Group entered into an unconditional agreement to raise £2,000,000 from James Formolli through issuing 55,411,752 new ordinary shares of £0.001 each at a price of £0.036 per share.

The Group has settled £157,669 of the loans outstanding as at 31 December 2023 as follows:

- On 28 March 2024, the Group repaid in full the loan of £40,000 outstanding to James Formolli as at 31 December 2023.
- On 4 April 2024, the Group repaid in full the loan of £117,669 outstanding to the convertible loan note holders as at 31 December 2023.

On 30 January 2024, the Group acquired the entire share capital of the GSX Group Ltd for a consideration of 5,000,000 Ordinary shares of £0.001 each in the Company and the issue of warrants over 10,000,000 ordinary shares of £0.001 each in the Company at an exercise price of £0.01 per share.

In 2024, agreements have been reached with certain creditors to settle the recorded liabilities as at 31 December 2023 for reduced amounts.

22 Availability of accounts

The full report and accounts are being posted on the Group’s website, www.vlrm.com.