

Sure Ventures plc

Unaudited Interim Report and Financial Statements

For the six months ended 30 September 2018

Company Number: 10829500

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1 Chairman's Statement

Chairman's Statement

Dear Shareholders.

On behalf of my fellow directors, I am delighted to present the interim results of Sure Ventures plc (the 'Company') covering the six months ended 30 September 2018.

FINANCIAL PERFORMANCE

In the six month period to 30 September 2018 the Company's performance has been in line with expectations with a net asset value total return of 10.29% (31 March 2018: -7.88%) and a life to date performance of +1.60%. The profitability of the Company in the first reporting period to 31st March 2018 was impacted by the realisation of all fund related formation costs in this first period of trading in accordance with International Financial Reporting Standards.

The improvement in performance in the interim period to 30 September 2018 has been driven in large part by the performance of the Company's first direct investment, Immotion Group PLC ('Immotion'). Immotion, is a UK based company that creates its own high-quality VR content and enhances the immersive experience by coupling this content with motion simulation. The £500,000 investment made on 24 April 2018 is the only direct investment made by the Company to date. Immotion listed on the Alternative Investment Market on 12 July 2018, at a price that represented a notable uplift in the value of the Company's original investment and has continued to perform positively. Whilst the fair value of the Company's investment in Suir Valley Ventures has fallen during the period since 31 March 2018, the life to date performance of Suir Valley Ventures is 15.8%.

Further detail is provided in the report of the Investment Manager which follows this statement.

DIVIDEND

During the interim period to 30 September 2018, the Company has not declared a dividend (31 March 2018: £nil). Pursuant to the Company's dividend policy the directors intend to manage the Company's affairs to achieve shareholder returns through capital growth rather than income. The Company does not expect to receive a material amount of dividends or other income from its direct or indirect investments. It should not be expected that the Company will pay a significant annual dividend, if any.

GEARING

The Company may deploy gearing of up to 20% of net asset value (calculated at the time of borrowing) to seek to enhance returns and for the purposes of capital flexibility and efficient portfolio management. The Company's gearing is expected to primarily comprise bank borrowings, but may include the use of derivative instruments and such other methods as the board may determine. During the period to 30 September 2018 the Company did not employ any borrowing (31 March 2018: £nil).

The board will continue to review the Company's borrowing, in conjunction with the Company's investment Manager on a regular basis pursuant with the Company's overall cash management and investment strategy.

OUTLOOK

On 2 July 2018 the Company announced the raising of gross proceeds of £200,000 pursuant to the issue of new ordinary shares.

On 27 September 2018 the Company raised gross proceeds of £1,078,480 by conditionally allotting ordinary shares at £1.0225 each. The issue of these shares became effective on 3 October 2018 when the shares were admitted to the Specialist Funds Segment of the Main Market of the London Stock Exchange. The Company now has 4,564,748 ordinary shares in issue. The Investment Manager's Report following this Statement gives further detail on the affairs of the Company. The board is confident of the long-term prospects for the Company in pursuit of its investment objectives.

Perry Wilson

Chairman

21 December 2018

2 Investment Manager's Report

Investment Manager's Report

THE COMPANY

Sure Ventures plc (the 'Company') has been established to enable investors to gain access to early stage technology companies within the market verticals of augmented reality and virtual reality (AR/VR), the Internet of Things (IoT) and financial technology (FinTech).

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

Relative liquidity

A quoted share price

A high level of corporate governance

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

Augmented Reality & Virtual Reality

The AR/VR market is evolving at a rapid pace. The market is expected to grow into a US\$108 billion industry within the next five years [1] Significant investment in VR hardware capability and headset development has been made by major industry players such as Facebook (through its Oculus division), Microsoft, Sony (through its PlayStation division), HTC, Samsung and others. In 2017 Apple and Google launched development tools supporting the growth of AR smartphone apps. These investments have ignited a new and exciting industry within the technology sector. Hardware manufacturers and AR/VR users are now searching for software capabilities/support and content, and we believe that exposure to this industry via the Company and direct investment into software companies in the space will offer significant upside potential for investors. Through our network of technology accelerators, angel investor partners and industry contacts in the AR/VR space, we expect to have a strong chance of discovering the industry leaders of tomorrow.

Internet of Things

The Internet of Things (IoT) as a segment of the market is a broad investment area, but is defined as the interconnection via the internet of computing devices embedded in everyday objects enabling them to send and receive data. The market was estimated to be worth US\$120 billion dollars in 2016 and is predicted to reach a size of US\$253 billion by 2021[2]. The global growth and advancement of internet coverage, the increased speed and capability of connectivity and the mass market penetration of smartphones/tablet sales has opened up significant opportunities for software companies. Businesses from many industries are embracing the efficiencies, cost savings and the "direct to consumer" penetration this technological advancement has offered. We see continued growth opportunities in this area and believe that investor returns will benefit from exposure to the space.

FinTech

FinTech is an industry segment that has grown significantly and continues to do so at a rapid pace. It has a transaction value that's estimated to be US\$2.6 trillion US dollars. The market is predicted to expand to a size of US\$6.9 trillion in the next 5 years, which represents a transaction value at a compound annual growth rate of 20.5%[3]. The banking, finance and insurance industries are increasingly accepting and embracing the efficiencies and benefits of technology. Ever changing financial regulation, cyber security requirements and payment trends are driven by technological advancement. We continue to see new and exciting deal flow in this area and believe that this market segment will continue to develop at pace. We believe that investors looking for exposure to the emerging software technology market should include a FinTech element in their investment strategy.

[1] eDigi-Capital, 2017 (<https://www.digi-capital.com/>)

[2] Zinnov Zones 2016 – Internet Of Things Technology Services (<http://zinnozones.com>)

[3] Statista, June 2017 (<https://www.statista.com/chart/4204/fintech-market-outlook/>)

PORTFOLIO BREAKDOWN

On 17 January 2018 the placing of 3.31m ordinary shares of Sure Ventures plc was concluded, following an extensive fundraising programme as described in the prospectus published on 17 November 2017 ('the prospectus'). The ordinary shares were admitted to trading on the Specialist Fund Segment of the London Stock Exchange on 19 January 2018 under the ISIN: GB00BYWYZ460. On 2 July 2018 the Company announced the raising of gross proceeds of £200,000 by the placing of new ordinary shares.

On 6 February 2018, Sure Ventures entered into a €4.5m commitment to Suir Valley Ventures, the sole sub-fund of Suir Valley Funds ICAV and its investment was equalised into the sub-fund at that date. The first drawdown of this commitment was made on 5 March 2018 with the second drawdown on 22 August 2018.

In addition to investing in Suir Valley Ventures, Sure Ventures plc may, in pursuit of its investment objectives, invest directly in investee companies. On 24 April 2018 the Company announced a £500,000 direct investment in Immotion Group Plc a UK-based company focused on creating superior out-of-home immersive VR experiences in Europe and the USA. On 12 July 2018 it was announced that the company had listed on AIM (ticker IMMO.L) having raised £5.75mm through an oversubscribed placing.

In addition to the two investments made above, the Company has pursued the cash management strategy as outlined in the prospectus and made an investment in UK Treasury Bills.

SUIR VALLEY FUNDS ICAV

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

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

As at 30 September 2018 the Fund had commitments totalling €20.3m and had made five direct investments into companies spanning the AR/VR and IoT sectors. On 12 March 2018, Immersive VR Education Limited, the Fund's first investment, completed a flotation on the London Stock Exchange (AIM) and the Dublin Stock Exchange (ESM). The public company is now called VR Education Holdings PLC – ticker VRE. VRE was the first software company to list on the ESM since that market's inception. The Company's €4,500,000 commitment to the Fund was made at a price of €1.00 per share; the last recorded dealing NAV of the Fund as at 30 September 2018 was at €1.1583 representing a return since inception for investors of 15.83%.

DIRECT INVESTMENTS

Immotion Group PLC ('Immotion'), a UK based company that creates its own high-quality VR content and enhances the immersive experience by coupling this content with motion simulation, is the only direct investment made by the Company to date, with a £500,000 investment made in February 2018. Immotion listed on AIM in July 2018, at a price that represented a notable uplift in the value of Sure Venture's original investment. Immotion has made continued progress, rolling out VR centres in Yorkshire, Manchester, Cardiff, Newcastle, Derby and Uxbridge. It has also created new proprietary content (such as Delta Zero VR) and a branded roller coaster experience for the Lego discovery centre in Manchester.

PERFORMANCE

During the period to 30 September 2018 the Company has made a total return on net asset value per share of +10.29% (31 March 2018: -7.88%), which represents a life to date performance of +1.60%.

This return since commencement of operations is in line with expectation and can be attributed to the recognition of one-off formation costs, placing fees and fund operating costs tempered by the positive performance of the investments in the Fund and the direct investment in Immotion.

FUTURE INVESTMENT OUTLOOK

We are pleased with the progress the Fund has made thus far. The Fund has built a well balanced portfolio with exposure to several exciting and rapidly growing companies. Overall our investments have grown at a healthy rate which we believe provides an encouraging outlook for further investments in our chosen sectors. We are especially pleased with the successful flotation of our first direct investment, Immotion, that came to fruition shortly after investment. We look forward to providing further updates as further investments are made by the Company directly and by the Fund and the current investee companies continue to develop.

Shard Capital AIFM LLP

Investment Manager

21 December 2018

3 Financial Statements

Condensed Statement of Comprehensive Income

For the six months ended 30 September 2018 (unaudited)

	Revenue £	Capital £	Total £
Income			
Other net changes in fair value on financial assets at fair value through profit or loss	-	467,649	467,649
Other income	3,174	-	3,174
Management fee rebate	1,155	3,611	4,766
Total net income	4,329	471,260	475,589
Expenses			
Management fee	-	-	-
Custodian, secretarial and administration fees	(36,933)	-	(36,933)
Other expenses	(92,521)	-	(92,521)
Total operating expenses	(129,454)	-	(129,454)
(Loss) / Profit before Taxation and after finance costs	(125,125)	471,260	346,135
Taxation	-	-	-
(Loss) / Profit after taxation	(125,125)	471,260	346,135
Earnings per share	(3.67)	13.84	10.17

For the period from 21 June 2017 (date of incorporation) to 31 March 2018 (audited)

	Revenue £	Capital £	Total £
Income			
Other net changes in fair value on financial assets at fair value through profit or loss	-	44,980	44,980
Total net income	-	44,980	44,980
Expenses			
Management fee	(1,155)	(3,611)	(4,766)
Custodian, secretarial and administration fees	(19,850)	-	(19,850)
Other expenses	(230,282)	-	(230,282)
Total operating expenses	(251,287)	(3,611)	(254,898)
(Loss) / Profit before Taxation and after finance costs	(251,287)	41,369	(209,918)
Taxation	-	-	-
(Loss) / Profit after taxation	(251,287)	41,369	(209,918)
Earnings per share	(7.59)p	1.25p	(6.34)p

The total comprehensive income and expense for the period is attributable to shareholders of the Company

The accompanying notes on pages 11 to 17 form part of these condensed interim financial statements.

Condensed Statement of Financial Position

As at 30 September 2018

	Notes	30 September 2018 (unaudited) £	31 March 2018 (audited) £
Non-current assets			
Investments held at fair value through profit or loss	7	2,821,001	739,258
		2,821,001	739,258
Current assets			
Receivables		3,700	689,713
Cash and cash equivalents		789,931	1,663,505
		793,631	2,353,218
Total assets		3,614,632	3,092,476
Current liabilities			
Management fee payable		-	(4,766)
Other payables		(48,614)	(38,550)
		(48,614)	(43,316)
Total assets less current liabilities		3,566,018	3,049,160
Total net assets		3,566,018	3,049,160
Shareholders' funds			
Ordinary share capital	8	35,100	33,100
Share premium		3,394,701	3,225,978
Revenue reserves		(376,412)	(251,287)
Capital reserves		512,629	41,369
Total shareholders' funds		3,566,018	3,049,160
Net asset value per share		101.59p	92.12p

The accompanying notes on pages 11 to 17 form part of these condensed interim financial statements.

The financial statements on pages 11 to 17 were approved by the board of directors and authorised for issue on 21 December 2018. They were signed on its behalf by:

Perry Wilson, Chairman

Condensed Statement of Changes in Equity

For the six months ended 30 September 2018 (unaudited)

	Ordinary Share Capital £	Share Premium £	Revenue Reserves £	Capital Reserves £	Total Reserves £	Total Equity £
Balance at 31 March 2018	33,100	3,225,978	(251,287)	41,369	(209,918)	3,049,160
Ordinary shares issued	2,000	198,000	-	-	-	200,000
Ordinary shares issue costs	-	(29,277)	-	-	-	(29,277)
(Loss) / Profit after taxation	-	-	(125,125)	471,260	346,135	346,135
Dividends paid in the period	-	-	-	-	-	-
Balance at 30 September 2018	35,100	3,394,701	(376,412)	512,629	136,217	3,566,018

For the period from 21 June 2017 (date of incorporation) to 31 March 2018 (audited)

	Ordinary Share Capital £	Share Premium £	Revenue Reserves £	Capital Reserves £	Total Reserves £	Total Equity £
Balance at 21 June 2017	-	-	-	-	-	-
Ordinary shares issued	33,100	3,276,900	-	-	-	3,310,000
Ordinary shares issue costs	-	(50,922)	-	-	-	(50,922)
(Loss) / Profit after taxation	-	-	(251,287)	41,369	(209,918)	(209,918)
Dividends paid in the period	-	-	-	-	-	-
Balance at 31 March 2018	33,100	3,225,978	(251,287)	41,369	(209,918)	3,049,160

The accompanying notes on pages 11 to 17 form part of these condensed interim financial statements.

Condensed Statement of Cash Flows

For the six months ended 30 September 2018

	30 September 2018 (unaudited) £	31 March 2018 (audited) £
Cash flows from operating activities:		
Profit / (Loss) after taxation	346,135	(209,918)
Adjustments for:		
Decrease in receivables	686,013	-
Increase in payables	10,064	43,316
Unrealised (loss)/gain on foreign exchange	(3,221)	6,875
Decrease in Management fee payable	(4,766)	-
Net changes in fair value on financial assets at fair value through profit or loss	(467,649)	(51,855)
Net cash inflow/outflow from operating activities	566,576	(211,582)
Cash flows from investing activities:		
Purchase of investments	(1,610,873)	(694,278)
Net cash (outflow) from investing activities	(1,610,873)	(694,278)
Cash flows from financing activities:		
Proceeds from issue of ordinary shares	200,000	2,620,287
Share issue costs	(29,277)	(50,922)
Net cash inflow from financing activities	170,723	2,569,365
Net change in cash and cash equivalents	(873,574)	1,663,505
Cash and cash equivalents at the beginning of the period	1,663,505	-
Net cash and cash equivalents	789,931	1,663,505

The accompanying notes on pages 11 to 17 form part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

1) GENERAL INFORMATION

Sure Ventures plc (the "Company") is a company incorporated in England and Wales (registration number: 10829500) on 21 June 2017, commencing trading on 19 January 2018 upon listing. The registered office of the Company is 23rd Floor, 20 Fenchurch Street, London, United Kingdom, EC3M 3BY.

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

The Company operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In the opinion of the directors, the Company has conducted its affairs so that it is able to maintain its status as an investment trust. Approval of The Company's application for approval as an investment trust was received from HMRC on 22 November 2018, applicable from the accounting period commencing 1 April 2018.

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

The information set out in these unaudited condensed interim financial statements for the period ended 30 September 2018 does not constitute statutory accounts as defined in section 435 of Companies Act 2006. Comparative figures from inception to 31 March 2018 are derived from the financial statements for that period. The financial statements for the period ended 31 March 2018 have been delivered to the Registrar of Companies and contain an unqualified audit report and did not contain a statement under emphasis of matter or statements under section 498(2) or (3) of the Companies Act 2006. The financial statements of the Company for the period ended 31 March 2018 are available upon request from the Company's registered office at 23rd Floor, 20 Fenchurch Street, London, United Kingdom, EC3M 3BY.

2) BASIS OF ACCOUNTING

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations (IFRS IC) as adopted by the European Union. They do not include all the information required for the full annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the period ended 31 March 2018. The principal accounting policies adopted in the preparation of the financial information in these unaudited condensed interim financial statements are unchanged from those used in the Company's financial statements for the period ended 31 March 2018. This report does not itself contain sufficient information to comply with IFRS.

3) ESTIMATES

The preparation of the unaudited condensed interim financial statements requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unaudited condensed interim financial statements, the significant judgement made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied to the Company financial statements as at and for the period ended 31 March 2018.

4) FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company financial statements as at and for the period ended 31 March 2018.

5) TAXATION

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

6) EARNINGS PER SHARE

For the six months period ended 30 September 2018	Revenue pence	Capital pence	Total pence
Earnings per ordinary share	(3.67)p	13.84p	10.17p
For the financial period ended 31 from March 2018			
Earnings per ordinary share	(7.59)p	1.25p	(6.34)p

The calculation of the above is based on revenue return loss of £125,125 (31 March 2018: loss £251,287), capital return profit of £471,260 (31 March 2018: profit £41,369) and total return profit of £346,135 (31 March 2018: loss £209,919) and weighted average number of ordinary shares of 3,405,082 (31 March 2018: 3,310,000) as at 30 September 2018

7) INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2018 £	As at 31 March 2018 £
Opening cost		-
Opening fair value	739,258	-
Purchases at cost	1,610,873	694,278
Cost at fair value measurement	467,649	51,855
Unrealised (loss) on foreign exchange	3,221	(6,875)
Closing fair value	2,821,001	739,258

8) ORDINARY SHARE CAPITAL

The table below details the issued share capital of the Company as at the date of the Financial Statements.

Issued and allotted	No. of shares	No. of shares	30 September 2018 £	31 March 2018 £
	30 September 2018	31 March 2018		
Ordinary shares of 1 penny each		-		
	3,510,000	3,310,000	35,100	33,100

On incorporation, the issued share capital of the Company was £0.01 represented by one ordinary share of £0.01. Redeemable preference shares of 50,000 were also issued with a nominal value of £1 each, of which 25% were paid. The redeemable shares were issued to enable the Company to obtain a certificate of entitlement to conduct business and to borrow under section 761 of the Companies Act 2006. The redeemable shares were redeemed on listing from the proceeds of the issue of the new ordinary shares upon admission on 19 January 2018.

3,310,100 ordinary shares of £0.01 each were issued to shareholders as part of the placing and offer for subscription in accordance with the Company's prospectus dated 17 November 2017 and the supplementary prospectus dated 2 January 2018. The shares were admitted to trading on the Specialist Fund Segment ('SFS') of the London Stock Exchange on 19 January 2018.

An additional 200,000 ordinary shares of £0.01 each were issued to shareholders as part of the placing and offer for subscription and admitted to trading on the SFS on 5 July 2018.

9) RELATED PARTY TRANSACTIONS AND TRANSACTIONS WITH THE MANAGER

Directors – There were no contracts subsisting during or at the end of the period in which a director of the Company is or was interested and which are or were significant in relation to the Company's business. There were no other transactions during the period with the directors of the Company. The directors do not hold any ordinary shares of the Company.

At 30 September 2018, there was £1,672 (31 March 2018: £203) payable in respect of directors fees and expenses.

Manager – Shard Capital AIFM LLP (the 'Manager'), a UK-based company authorised and regulated by the Financial Conduct Authority, has been appointed the Company's manager and authorised investment fund manager for the purposes of the Alternative Investment Fund Managers Directive. Details of the services provided by the manager and the fees paid are given in the prospectus dated 17 November 2017.

During the period the Company was rebated £4,767 (31 March 2018: paid £4,767) of fees and at 30 September 2018, there was £nil (31 March 2018: £4,767) payable to the manager.

During the period the Company paid £9,697 (31 March 2018: £50,922) of placement fees to Shard Capital Partners LLP.

During the period the Company paid £6,000 (31 March 2018: £3,000) of advisory fees to Shard Capital Partners LLP.

10) SUBSEQUENT EVENTS

On 27 September 2018 the Company raised gross proceeds of £1,078,480 by conditionally allotting ordinary shares at £1.0225 each. The issue of these shares became effective on 3 October 2018 when the shares were admitted to the Specialist Funds Segment of the Main Market of the London Stock Exchange. The Company now has 4,564,748 ordinary shares in issue.

On 12 October 2018 the Company made a further €306,480 investment in Suir Valley Ventures (the "Fund"), representing the third drawdown against the Company's €4,500,000 commitment to the Fund.

On 20 December 2018 Sean Nicolson resigned as Non-Executive Director of the Company and Chairman of the Board.

On 20 December 2018 Perry Wilson was appointed as a Non-Executive Director of the Company and Chairman of the Board.