

Registered Number: 05667178 (England & Wales)



MILAMBER VENTURES PLC

Annual Report and Financial Statements

for the Year Ended 31 March 2017

Milamber Ventures Plc

Contents of the Financial Statements for the Year Ended 31 March 2017

	Page
Company Information	1
Chairman's Statement	2
Strategic Report	7
Report of the Directors	8
Report of the Independent Auditor	11
Income Statement	13
Statement of Financial Position	14
Statement of Changes in Equity	15
Statement of Cash Flows	16
Notes to the Financial Statements	17

Milamber Ventures Plc
COMPANY INFORMATION
for the Year Ended 31 March 2017

DIRECTORS:	C Andrew A S M Hasoon O A Ladimeji J Velody A Halpern-Lande
REGISTERED OFFICE:	30 Percy Street London United Kingdom W1T 2DB
REGISTERED NUMBER:	05667178 (England and Wales)
SECRETARY:	S Castle
NEX EXCHANGE CORPORATE ADVISER:	Peterhouse Corporate Finance Limited New Liverpool House 15-17 Eldon Street London EC2M 7LD
REGISTRARS:	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
INDEPENDENT AUDITOR	Welbeck Associates Chartered Accountants and Statutory Auditors 30 Percy Street London W1T 2DB

Milamber Ventures Plc
CHAIRMAN'S STATEMENT
for the Year Ended 31 March 2017



Dear Shareholders,

Milamber made solid progress during the period April 2016 to March 2017.

Financial Highlights

	(2015/2016)		(2016/2017)
Revenues increased 349% from:	£70,122	to:	£314,673 (6.8p per weighted share)
Net Loss reduced 14% from:	£360,539	to:	£311,228 (6.7p per weighted share)
Investments increased 174% from:	£163,300	to:	£447,159 (7.9 pence per share)
Net Assets increased 273% from:	£291,187	to:	£546,712 (9.7 pence per share)

Development work and investments now total £1,458,261 in value compared to £337,300 in 2015/2016 demonstrating the value of the work we are delivering in growing our investment portfolio.

The stock market mid-price for our shares was 13.25p on 1 April 2016 and 12.5p on 31 March 2017 with a low of 9.5p and a high of 13.5p during the period.

During the period, we raised £108,990 in cash, issuing 729,674 ordinary shares at an average share price of 14.9p per Milamber share. At the 31st March 2017, the Company had committed to issue a further 250,000 shares at a share price of 20p per Milamber share in consideration for the purchase of Essential Learning Ltd.

We paid for £164,316 of services provided from the Milamber Ambassador network issuing 1,007,877 shares in settlement for these services at an average price of 16.6p per Milamber share.

KEY 2017 INVESTMENT

Post year-end, on 17 May 2017 we acquired a 15% equity stake in Essential Learning, by issuing £75,000 in consideration through two simultaneous tranches of £25,000 and £50,000 – making our purchase at an average share price of 18.5p per Milamber share.

Milamber has signed non-binding heads of terms to acquire the remaining shares in Essential Learning which it hopes to complete before the end 2017 and will pay an additional deferred payment of £800,000 in cash and £100,000 of Milamber shares.



Essential Learning is a vocational training company in the must have Health, Social, and Teaching sectors and in April 2017 qualified as an Apprenticeship Levy Prime Training Provider which means it can now provide services to Levy paying customers. This means Essential Learning's growth is fuelled by accessing the annual £2.8bn Government Apprenticeship Levy budget which launched in May 2017.

STOCK MARKET MATTERS

We have been looking for a Stockbroker for some time who understands the differences between AIM and the NEX Exchange Growth Market ("NEX") as we are a vocal advocate of NEX for the following pragmatic reasons.

- 1) NEX is on average four times cheaper to run a company than on AIM.
- 2) The level of compliance and regulation are similar between the two exchanges so that we have robust oversight for our shareholders but NEX is more consultative and adaptive than AIM in helping early growth stage companies.
- 3) NEX actively encourages and facilitates collaboration between companies traded on the NEX Exchange Growth Market and NEX Exchange partners.



In July 2017, we appointed First Sentinel as the company's Stockbroker. We expect them to have an impact on the business in Q4 of 2017. Milamber also helped First Sentinel recruit their Sales Director and we already have a collaborative relationship working on several projects together.

MILAMBER PEOPLE

We recruited several new experienced people as Partners in the UK – Charlie Dilks, Amit Burman, Anastasia Bloom and Tofiq Qureshi. We also appointed Anthony Bezzina as Group Financial Controller, Stuart Irvine Chief Commercial Officer and Jana Torello as Special Projects Manager. Finally, Anna Halpern-Lande recently joined the Board as a Non-Executive Director.

We launched our US operations via Milamber USA led by Tim Moore and Bill Hughes with Steve Hammersly and Sadiq Qureshi joining them in the Summer of 2017. www.milamberusa.com

Each new Partner is building a portfolio of companies that we select, support and grow. This takes time especially as we support companies through the lifecycle of a business which on average is 7 to 10 years. We believe that the foundation work done in 2015/2016 and 2016/2017 will flow through Milamber more in 2017/2018 and beyond.

BREXIT

BREXIT did impact our business. We had been making EU Grant applications under the Horizon 2020 programme. On average, we charge £50,000 to do an application working with our Strategic Partner, European Innovation Network, who had a high success rate prior to BREXIT. Successful grant applications typically secure Euro 1.5million to Euro 2.5million in funding for an 18-month project.

As BREXIT happened we had a dozen companies readying to put in applications for the October 2016 call deadline. We made the tough decision not to proceed with the applications as we were concerned that the EU would be prejudiced against UK applications. Our prediction was proved correct with almost no EU Horizon 2020 grants being allocated to UK Companies. We notified the Cabinet Office who are discussing this issue as part of the on-going BREXIT negotiations.

We have put our focus on the UK, US, Middle East and Asia as a result and the returns on that decision are already showing early signs of having a positive impact on Milamber and our Portfolio Companies.

Milamber Ventures Plc
CHAIRMAN'S STATEMENT
for the Year Ended 31 March 2017

DEVELOPING SUSTAINABLE FUNDING SOLUTIONS

The above events triggered the need to put in place sustainable and long-term funding streams which have now begun.

We recently announced the launch of the Milamber Education Technology fund with Innvotec which is an SEIS and EIS evergreen fund going live in September 2017. This will allow us to take the lead with investment syndicates in Milamber related projects or Portfolio Companies.

We have continued to pursue our strategy of building our own database of business development support companies, investors and potential strategic partners that can help early stage high performance growth companies.



On 11 July 2017, we launched the exclusive, by invitation only, Angelaires Club at the Century Club on Shaftesbury Avenue in London – the inaugural event was very successful with investor interest leading to follow-up work currently taking place for the funding of Droplet, Evo and Oppen as described below.



More events are now being scheduled for 2017 and 2018 including our first major exclusive US event on 27 September 2017 being held at New York University's Rudin Family Forum in the Puck Building at 295 Lafayette Street, as we are privileged to be working with the NYU Social Entrepreneurship Programme. We have a number of world class speakers presenting and a 'who's who' line up of attendees from the Education, Media and Investor communities from around the world.

PORTFOLIO COMPANIES

During the period, we also helped several of our existing and new Portfolio Companies. Some of the highlights are below.

All Street – secured an Innovate UK Grant and £500,000 of investment to help build their next generation Artificial Intelligence platform.

Engage Works – continued to develop and productise its collaborative working environment platform.

Built Intelligence – grew revenues by 570% to £400,000 in 12 months having put in place a new "Go To Market" strategy and is expanding its product offering.

Milamber Ventures Plc
CHAIRMAN'S STATEMENT
for the Year Ended 31 March 2017

Cirrus – we have been working with the team to develop the growth plan and strategy for new business development and funding.

Droplet, Evo, and Oppen – All three businesses have undergone extensive work in packaging their value proposition for potential customers and investors and have started taking that message to market at our Angelaires launch event on 11 July 2017. Significant progress is being made already.

Knowledge Motion – has secured a 'Series A' investment round.

Essential Learning - has secured Apprenticeship Levy status.



We are also working with Tofiq Qureshi and Sadiq Qureshi on a project called Innovation Development Solar Power (IDSP) – this is an Impact Investing project with a particular focus on 'Powering Education' with Solar.

As examples; in the US, many Schools are powered by Solar, in India 44 percent of the population is "Off Grid" – so giving a child or community a solar power light bulb or light source means they can read and educate themselves from 5pm to 10pm when the natural light is diminished. This ability to educate out of farming or working hours has material positive life changing impact on the children and their communities as a whole.



We have also been working over the period with Peter Samuelson, an American and British film producer and serial social entrepreneur. Peter founded the Starlight Children's Foundation which over the last 35 years has brought smiles to more than 60 million critically, chronically and terminally ill children in the United States, Canada, Australia and the United Kingdom.

Milamber has been working with Peter to launch his new charity First Star – aimed at helping fostered youths get through secondary school or high school and into University or Colleges. Starting in April 2016 and over the past 18 months we have helped launch the First Star UK Academy at St Mary's University in Twickenham, recruit and support the delivery team, put in place an oversight charity structure, and raise funding which has now topped £1.2 million, with more offers coming in to help from various organisations including other Universities wanting to launch their own Academies for Foster Youth.

www.stmarys.ac.uk/first-star/first-star-academy.aspx

The learning from this First Star Academy will be "distilled" and "productised" into innovative learning courses and materials that vocational companies like Essential Learning can use to educate the next generation of Carers and Teachers.

Milamber Ventures Plc
CHAIRMAN'S STATEMENT
for the Year Ended 31 March 2017

EXPLAINING WHAT WE DO

Below are links to four videos filmed over the past 18 months to help you understand what we are doing at Milamber and how we are helping our Portfolio Companies through their growth journey and at the same time creating value for our stakeholders and shareholders.

Milamber Ventures – Proactive Investors Interview 26th May 2016.

<https://youtu.be/AnPddsKjEfl>

Milamber Ventures – Tech Conference 16th June 2016

<https://youtu.be/b6L7klctyPM>

Milamber Ventures – Tips TV Interview 7th June 2017.

<https://youtu.be/SWLKWA8OnCs>

Milamber Ventures – Core Finance Interview 3rd August 2017.

<https://youtu.be/eReUWy6XaG4>

Finally, I would like to thank all those that have supported us, in particular our key advisors, the Milamber team and our shareholders. We look forward to the coming 12 months and working with you all.



Andy Hasoon
Chairman
Milamber Ventures Plc
www.milamber.co.uk

6 September 2017

Milamber Ventures Plc
STRATEGIC REPORT
for the Year Ended 31 March 2017

The directors present their Strategic Report for the year ended 31 March 2017.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company's loss for the year after taxation was £311,228 (2016: £360,539 loss) and the loss per share was 6.7p (2016: 16.6p loss).

The net assets at the year-end were £546,712 compared to £291,187 at 31 March 2016.

No dividend will be distributed for the period ended 31 March 2017 (2016: £nil).

KEY PERFORMANCE INDICATORS

The directors believe the indicators below to be a fair view of the company's performance:

COMPANY STATISTICS

	2017	2016
Net asset value per share	9.7p	7.0p
Share price as at 31 March	12.5p	13.3p

GOING CONCERN

The Directors have prepared cash flow forecasts through to 31 August 2018 which assumes no significant investment activity is undertaken unless sufficient funding is in place to undertake the investment activity. The cash flow forecasts demonstrate that the Company has sufficient financial resources, at the time of approving the financial statements, to enable the Company to continue in existence for at least the next twelve months.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Company's financial statements.

For and on behalf of the Board



Andy Hasoon
Director

6 September 2017

Milamber Ventures Plc
Report of the Directors
for the Year Ended 31 March 2017

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The company's main activity is as a private equity investment vehicle established to grow early stage small to medium sized companies by injecting seed capital, management support and access to further funds from capital markets. During the year the company has established a subsidiary in the USA which is still dormant.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2017 (2016: £nil).

DIRECTORS

The directors shown below have held office during the period from 1 April 2016 to the date of this report.

A S M Hasoon

O A Ladimeji

C Andrew

J Velody

A Halpern-Lande (Appointed 17 April 2017)

M B Battles – (Appointed 22 April 2016 – Resigned 6 February 2017)

SUBSTANTIAL SHAREHOLDINGS

On 25 August 2017, the following shareholders held three percent or more in the Company's share capital:

Shareholder	Number of Shares	%
Andy Hasoon	1,137,377	19%
Milamber Ventures plc	505,556	7%
Reyker Nominees Limited	500,000	7%
Harewood Nominees Limited	424,387	6%
Tim Moore	406,811	5%
Gravity Investment Group Limited	406,250	5%
Hargreaves Lansdown Nominees Limited	329,036	4%
Steve Blythe	294,444	4%
JIM Nominees Limited	254,332	3%
Gary June	222,223	3%
William H Hughes	187,411	3%

During the year the company acquired 300,000 of its own shares with a nominal value of 1p for a consideration of £1. This represents 5% of the total shares in issue. The shares were acquired in regard of settlement of a contractual claw back provision.

FINANCIAL RISK MANAGEMENT

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, some financial instruments such as trade debtors and trade creditors arise directly from the company's operations. Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Milamber Ventures Plc
Report of the Directors
for the Year Ended 31 March 2017

LIQUIDITY RISK

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

CREDIT RISK

Investment of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the board. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

POST BALANCE SHEET EVENTS

Material events since the balance sheet date are set out in note 18 to the financial statements.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO THE AUDITOR

In the case of each person who was a Director at the time this report was approved:

- So far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- Each of the directors has taken all the necessary steps that the director ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Milamber Ventures Plc
Report of the Directors
for the Year Ended 31 March 2017

The Directors are responsible for the maintenance and integrity of the corporate and financial information held on the Company's website.

AUDITORS

The auditors Welbeck Associates have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

For and on behalf of the Board

A handwritten signature in black ink that reads "Andy Hasoon". The signature is written in a cursive style and is positioned above a horizontal dotted line.

.....
A S M Hasoon - Director

Date: 6 September 2017

Milamber Ventures Plc
Report of the Independent Auditors
for the Year Ended 31 March 2017

We have audited the financial statements of Milamber Ventures Plc for the year ended 31 March 2017 which comprise Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes on pages 17-27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the company's ability to continue as a going concern. These conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Milamber Ventures Plc
Report of the Independent Auditors - continued
for the Year Ended 31 March 2017

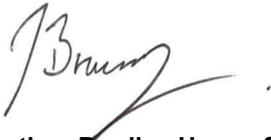
Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the strategic report and the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. No material misstatements in the Strategic Report and the Director's Report have been identified.

Matters on which we are required to report by exception

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

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



Jonathan Bradley-Hoare, Senior Statutory Auditor
for and on behalf of Welbeck Associates
Chartered Accountants and Statutory Auditor
30 Percy Street
London
W1T 2DB

6 September 2017

Milamber Ventures Plc
Income Statement
for the Year Ended 31 March 2017

	Notes	31.3.17 £	31.3.16 £
TURNOVER	4	314,673	70,122
Cost of sales		<u>-</u>	<u>-</u>
GROSS PROFIT		314,673	70,122
Administrative expenses		<u>(625,901)</u>	<u>(360,661)</u>
OPERATING LOSS	7	(311,228)	(290,539)
Loss on disposal of investments		<u>-</u>	<u>(70,000)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(311,228)	(360,539)
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(311,228)	(360,539)
Other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(311,228)</u>	<u>(360,539)</u>
EARNINGS PER SHARE:			
Basic and diluted earnings per share from total operations	9	(6.7) p	(16.6) p

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current year or previous year.

The accounting policies and notes are an integral part of these financial statements.

Milamber Ventures Plc
Statement of Financial Position as at 31 March 2017
 Company Registration Number: 05667178

		31.3.2017	31.3.2016
		£	£
	Notes		
NON-CURRENT ASSETS			
Intangible Assets	10	1,011,102	174,000
Investments	11	447,159	163,300
		<u>1,458,261</u>	<u>337,300</u>
CURRENT ASSETS			
Debtors	12	111,342	81,101
Cash at bank		(348)	289
		<u>110,994</u>	<u>81,390</u>
CURRENT LIABILITIES			
Creditors - Amounts falling due within one year	13	(203,048)	(78,170)
NET CURRENT (LIABILITIES) / ASSETS		(92,054)	3,220
TOTAL ASSETS LESS CURRENT LIABILITIES		1,366,207	340,520
CREDITORS PAYABLE IN MORE THAN 1 YEAR	14	(819,495)	(49,333)
NET ASSETS		<u>546,712</u>	<u>291,187</u>
CAPITAL AND RESERVES			
Share capital	15	203,065	186,190
Share premium		1,601,077	1,290,858
Capital Redemption Reserve		2,056	2,056
Other Reserves		27,753	27,753
Revaluation Reserve		239,659	-
Profit and loss account		(1,526,898)	(1,215,670)
TOTAL SHAREHOLDERS' FUNDS		<u>546,712</u>	<u>291,187</u>

The accounting policies and notes are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 6 September 2017 and were signed on its behalf by:



 A S M Hasoon - Director

Milamber Ventures Plc
Statement of Changes in Equity
for the Year Ended 31 March 2017

	Called up share capital £	Share premium £	Equity reserves £	Revaluation reserve £	Retained earnings £	Total £
BALANCE AT 31 MARCH 2015	171,909	1,040,194	27,753	-	-855,131	384,725
Issue of share capital	16,337	250,664	-	-	-	267,001
Capital redemption	-2,056	-	2,056	-	-	-
Total comprehensive income	-	-	-	-	-360,539	-360,539
BALANCE AT 31 MARCH 2016	186,190	1,290,858	29,809	-	-1,215,670	291,187
Issue of share capital	16,875	310,219	-	-	-	327,094
Revaluation of investments	-	-	-	239,659	-	239,659
Total comprehensive income	-	-	-	-	-311,228	-311,228
BALANCE AT 31 MARCH 2017	203,065	1,601,077	29,809	239,659	-1,526,898	546,712

The accounting policies and notes are an integral part of these financial statements.

Milamber Ventures Plc
Statement of Cash Flows
for the Year Ended 31 March 2017

	31.3.17 £	31.3.16 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(311,228)	(360,539)
Loss / (profit) on disposal of investments		70,000
Loan written off	30,800	5,450
Operating expenses paid via share issue	<u>164,316</u>	<u>75,501</u>
	(116,112)	(209,588)
Decrease / (increase) in debtors	(30,241)	19,329
Increase / (decrease) in creditors	<u>124,878</u>	<u>73,010</u>
Net cash from operating activities	<u>(21,475)</u>	<u>(117,249)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in intangibles	(837,102)	-
Repayment of loans to associates	<u>-</u>	<u>60,000</u>
Net cash from investing activities	<u>(837,102)</u>	<u>60,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue	327,094	45,500
Increase in long term liabilities less non-cash items	<u>530,846</u>	<u>-</u>
Net cash from financing activities	<u>857,940</u>	<u>45,500</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(637)	(11,749)
Cash and cash equivalents at beginning of year	<u>289</u>	<u>12,038</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>(348)</u>	<u>289</u>

The accounting policies and notes are an integral part of these financial statements.

Milamber Ventures Plc

Notes to the Financial Statements for the Year Ended 31 March 2017

1 STATUTORY INFORMATION

Milamber Ventures PLC is a company domiciled in England and Wales, registration number 05667178. The registered office is 30 Percy Street, London, W1T 2DB.

2 COMPLIANCE WITH ACCOUNTING STANDARDS

The accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. There were no material departures from that standard or the Companies Act 2006.

3 ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the recognition of certain investments at their deemed cost at the date of transition to FRS 102.

The presentation and functional currency of the Company is £ sterling.

Going concern

The Company incurred a loss for the year of £311,228 and had net assets of £546,712 and a cash balance of £ (348).

The Directors have prepared cash flow forecasts through to 31 August 2018 which assumes that additional funds will be raised and that income will be generated from new projects and no significant investment activity will be undertaken unless sufficient funding is in place to undertake the investment activity.

Based on the above assumptions, the cash flow forecasts show that the Company has sufficient financial resources, at the time of approving the financial statements, to enable the Company to continue in existence for at least the next twelve months.

For this reason, the Directors have formed a judgement at the time of approving the financial statements that the Company will have adequate funds to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Project development costs are capitalised as an intangible asset only if all the following criteria are met:

- the asset can be identified;
- it is probable that the asset will generate future economic benefits;
- the expenses related to the project during its development can be measured reliably.

Capitalised development expenditure is amortised on a straight-line basis over the period of expected future sales of the resulting products, which has been assessed as between 3 and 5 years.

3 ACCOUNTING POLICIES – continued

Investments

Investments comprise investments in unquoted equity instruments which are measured at cost less impairment or at the Directors' valuation of each investment.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Impairment of assets

At each reporting date assets not carried at fair value are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts that are repayable on demand and form an integral part of an entity's cash management are included as a component of cash and cash equivalents.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods sold and services provided, net of value added tax and trade discounts.

Taxation

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

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability, unless the related transaction affects tax or accounting profit. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

3 ACCOUNTING POLICIES – continued

Taxation ... continued

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Share based payments

The Company has applied the requirements of FRS 102 in respect of all share options. These share options are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value determined at the grant date of the share-based payments is expensed on a straight-line basis over the vesting period, based on the estimate of the shares that will eventually vest and adjusted for the effect of non-market vesting conditions. Fair value is measured using the Black-Scholes model.

Shares in issue

The number of shares in issue is calculated net of shares held in treasury as further detailed in Note 15.

Change in accounting policy

The company re-assessed its accounting for investments with respect to measurement after initial recognition. The Company has previously measured all investments using the cost model as set out in FRS 102.11.14, whereby after initial recognition the investments were carried at cost less impairment.

On 1 April 2016, the Company elected to change the method of accounting for investments as the Directors believe that the revaluation model will more effectively demonstrate and reflect the value of the Company's investment portfolio.

After initial recognition, the Company uses the revaluation model, whereby investments will be measured at fair value at the date of revaluation. There was no change in the opening balance as the Directors' consider that they do not have sufficient information to measure the fair value reliably as at 31.03.16.

Where accurate fair value data could not be obtained at year end, those investments remained at cost.

Milamber Ventures Plc
Notes to the Financial Statements – continued
for the Year Ended 31 March 2017

3 ACCOUNTING POLICIES – continued

Significant estimates and assumptions

In the application of the Company's accounting policies, which are described in note 3 above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period. Judgements and estimates that may affect future periods are as follows:

Fair value of investments

The valuation of each holding has been made by the Directors using a sector appropriate EBITDA multiplier upon the individual company's fundamentals, with an up to 50% discount for illiquidity where appropriate. Options are valued at their intrinsic value. Where the above cannot be established, valuation is measured as purchase cost. Directors consider the amounts recoverable as the companies are actively trading.

Carrying value of capitalised development costs

Capitalised development expenditure is amortised upon the realization of sales from the resulting products.

4 TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

The total turnover of the Company has been derived from its principal activity and arose entirely in the UK.

5 STAFF COSTS

	31.3.17	31.3.16
	£	£
Wages, salaries, fees settled in year (see Note 6)	<u>458,055</u>	<u>169,097</u>
	<u>458,055</u>	<u>169,097</u>

The average monthly number of Directors and employees during the year was as follows:

	31.3.17	31.3.16
Number of Directors and administrative staff	<u>5</u>	<u>4</u>

Milamber Ventures Plc
Notes to the Financial Statements – continued
for the Year Ended 31 March 2017

6 DIRECTORS' REMUNERATION

Remuneration for key management of the Company, including amounts paid to Directors of the Company, is as follows:

	2017 £	2016 £
<u>Emoluments:</u>		
Andy Hasoon	125,000	96,250
Christian Andrew	170,833	26,667
Jason Velody	147,222	25,277
Dapo Ladimeji	15,000	20,903
Mark Barney Battles	-	-
	<u>458,055</u>	<u>169,097</u>

Note 1: The current year emoluments include amounts back paid for services rendered by the directors.

7 PROFIT / (LOSS) BEFORE TAX

The loss before tax is stated after charging:

	31.3.17 £	31.3.16 £
Auditors' remuneration	10,000	6,500
Directors' remuneration	458,055	169,097

8 TAXATION

	2017 £	2016 £
Analysis of tax credit in the year:		
Current tax (see note below):		
UK corporation tax credit on loss for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Tax on loss on ordinary activities	-	-
Loss on ordinary activities before tax	<u>(311,228)</u>	<u>(360,539)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	(62,246)	(72,108)
Effects of:		
Expenses not deductible for tax purposes	-	-
Unutilised tax losses carried forward	62,246	72,108
Current tax credit for the year	<u>-</u>	<u>-</u>

Milamber Ventures Plc
Notes to the Financial Statements – continued
for the Year Ended 31 March 2017

9 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. The diluted earnings per share is the same as the basic earnings per share as there are negative earnings in both 2016 and 2017 and consequently the effect of conversion of outstanding options would be anti-dilutive.

	2017	2016
	£	£
Loss attributable to owners of the Company		
- Continuing and total operations	(311,228)	(360,539)
Weighted average number of shares for calculating basic and diluted earnings per share	4,651,436	2,173,081
Basic and diluted loss per share	Pence	pence
- Continuing and total operations	(6.7)	(16.6)
Shares in issue at the end of the year	5,654,044	3,966,493

10 INTANGIBLE ASSETS

	2017	2016
	£	£
At 1 April 2016	174,000	85,500
Additions	<u>837,102</u>	<u>88,500</u>
At 31 March 2017	<u><u>1,011,102</u></u>	<u><u>174,000</u></u>

During the year the Company continued to launch, develop, and grow over two dozen projects, both standalone Milamber and in collaboration with Portfolio companies. Many of these projects are at an early stage, the majority in collaboration with Portfolio companies. Standalone projects included:

Ambassador network – Milamber’s group of experts who collaboratively apply their know-how and expertise to develop Milamber’s projects and enable its Portfolio companies to achieve their full potential. The group has continued to grow in number and in breadth and depth of experience and knowledge.

The Uber project - developing various approaches to build next generation innovation lounge.

Film network - a project to document member's stories about their companies, products and achievements as case studies and the lessons learned along the way.

EU Horizon 2020 - The key objective of the project is to develop the innovative Intellectual Property built by its portfolio companies to a point whereby they would qualify for grants available within EU Horizon 2020 grants. Despite the setback of BREXIT, the accumulated knowledge will be applied to future applications for Milamber’s European based portfolio companies.

Angel Network – Culminating with the launch of The Angelaires Club in July 2017, a network of investors from Angels though to institutions and Family Offices, has been developed to bring the most exciting, ground breaking and disruptive companies to the attention of our friends.

Grand Prix Team Manager, a project to develop and market a suite of serious cutting-edge games that deliver innovative learning solutions for managers.

Milamber Ventures Plc
Notes to the Financial Statements – continued
for the Year Ended 31 March 2017

11 INVESTMENTS

	31.3.17 £	31.3.16 £
At 1 April	163,300	203,300
Additions	283,859	30,000
Impairment	<u>-</u>	<u>(70,000)</u>
At end of year	<u>447,159</u>	<u>163,300</u>
	31.3.17 £	31.3.16 £
Unquoted investments at cost less impairment	207,500	163,300
Options to acquire unquoted shares	<u>239,659</u>	<u>-</u>
	<u>447,159</u>	<u>163,300</u>

Investments comprise investments in unquoted equity instruments. Acquisitions of shares were made by the Directors' as an investment. These are all portfolio companies that Milamber is chaperoning and adding value.

Directors consider the amounts recoverable as the companies are actively trading.

12 DEBTORS

	31.3.17 £	31.3.16 £
Trade debtors	8,090	20,000
Other debtors	24,477	61,101
Intercompany debtors – Milamber USA	37,349	-
VAT receivable	<u>41,426</u>	<u>-</u>
	<u>111,342</u>	<u>81,101</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17 £	31.3.16 £
Trade creditors	128,721	28,162
VAT payable	-	1,693
Other Creditors	22,984	1,497
Accrued expenses	<u>51,343</u>	<u>46,818</u>
	<u>203,048</u>	<u>78,170</u>

Milamber Ventures Plc
Notes to the Financial Statements – continued
for the Year Ended 31 March 2017

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.17	31.3.16
	£	£
Other creditors	<u>819,495</u>	<u>49,333</u>

Other creditors consist of cash and services during this year provided by the Milamber team themselves and Milamber Ambassadors. These are held as Loan Notes or Notes Payable as Long-term liabilities on our Balance Sheet on a 365+1 rolling basis.

15 SHARE CAPITAL

	Number of shares		Share capital	
	Deferred 24p	Ordinary 1p	Deferred £	Ordinary £
Nominal value				
Allotted, called up and fully paid				
At 31 March 2016:				
Ordinary shares of 1p				
- In issue	610,526	4,172,049	146,526	41,721
- Less: held in treasury	-	(205,556)	-	(2,055)
- Net shares in issue	<u>610,526</u>	<u>3,966,493</u>	<u>146,526</u>	<u>39,666</u>
Issues of shares (see details below)	-	2,987,551*	-	29,875
Capital redemption (see details below)	-	(1,000,000)	-	(10,000)
Shares purchased & held in treasury	-	(300,000)	-	(3,000)
At 31 March 2017:				
- In issue	610,526	6,159,600*	146,526	61,596
- Less: held in treasury	-	(505,556)	-	(5,055)
- Net shares in issue	<u>610,526</u>	<u>5,654,044*</u>	<u>146,526</u>	<u>56,541</u>

* Note: Includes 250,000 shares in consideration for purchase of 10% of Essential Learning on 1 March 2017, but issued post year end.

On 17 May 2016, the Company issued 78,125 shares at 16p each for cash, and 125,000 shares at 16p each for cash.

On 26 May 2016, the Company issued 150,000 shares at 18p each in settlement of consultancy fees.

On 29 June 2016, the Company issued 39,063 shares at 16p each for cash.

On 7 July 2016, the Company issued 156,250 shares at 16p each for cash.

On 28 July 2016, the Company issued 39,062 shares at 16p each for cash.

On 5 August 2016, the Company issued 69,444 shares at 18p each in settlement of consultancy fees

On 30 November 2016, the Company issued 156,250 shares at 16p each in settlement of consultancy fees; 83,333 shares at 18p each in settlement of consultancy fees; 44,469 shares at 16p each in settlement of consultancy fees; and 68,937 shares at 11.5p each for cash.

On 2 December 2016, the Company issued 6,250 shares at 16p each for cash.

On 6 December 2016, the Company issued 6,250 shares at 16p each for cash.

On 30 December 2016, the Company issued 6,250 shares at 16p each in settlement of consultancy fees. On the same day, the Company bought back 300,000 shares for £1 and issued 100 shares at 1p to facilitate the buy back.

Milamber Ventures Plc
Notes to the Financial Statements – continued
for the Year Ended 31 March 2017

15 SHARE CAPITAL (continued)

On 30 December 2016, the Company also issued 1,000,000 shares in regards the acquisition of The League of Angles Limited. On 3 March 2017, these shares were cancelled.

On 20 January 2017, the Company issued 120,938 shares at 14p each for cash.

On 1 February 2017, the Company issued 125,000 shares at 16p each in settlement of consultancy fees.

On 7 February 2017, the Company issued 351,256 shares at 16p each in settlement of consultancy fees.

On 8 February 2017, the Company issued 15,625 shares at 16p each for cash.

On 8 February 2017, the Company issued 15,625 shares at 16p each in settlement of consultancy fees.

On 10 February 2017, the Company issued 6,250 shares at 16p each in settlement of consultancy fees.

On 9 March 2017, the Company issued 74,074 shares at 13p each for cash.

At 31 March 2017, the Company had committed to issue 250,000 shares at 20p each in consideration for the purchase of 10% of Essential Learning Limited.

16 SHARE OPTIONS

Options have been granted to subscribe for ordinary shares of 1p in the Company as follows:

	2017	2016
	No. of options	No. of options
Opening balance	30,800	30,800
Granted in the year	-	-
Lapsed in the year	-	-
Closing balance	<u>30,800</u>	<u>30,800</u>

Details in relation to options outstanding at the balance sheet date are as follows:

Date of grant	Exercise period	Number	Exercise price per share
21 April 2008	Between 26 July 2009 and 30 March 2019	30,800	125p

The fair values of options granted have been calculated using the Black-Scholes option pricing del.

There was no charge in the year in respect of share based payments, (2016: £Nil)

Milamber Ventures Plc
Notes to the Financial Statements – continued
for the Year Ended 31 March 2017

17 RELATED PARTY TRANSACTIONS

Andy Hasoon is a director of Mintsage Limited and Milamber Investments Limited, which companies were party to transactions with the Company as follows

	2017	2016
	£	£
Invoiced to the Company by Mintsage Limited:		
In respect of the services of Andy Hasoon	125,000	72,500
In respect of expenses of Andy Hasoon	1,621	6,413
Owed by the Company to Mintsage Limited at the balance sheet date	136,625	30,000
Receivable from Mintsage Limited at the balance sheet date	-	1,151

The amount disclosed as owed to Mintsage is a long-term liability repayable on a rolling one year plus one-day basis.

Christian Andrew is a director of Decibel Industries Limited, which company was party to transactions with the Company as follows

	2017	2016
	£	£
Invoiced to the Company by Decibel Industries Limited:		
In respect of the services of Christian Andrew	100,000	-
In respect of expenses of Christian Andrew	28,163	-
Owed by the Company to Decibel Industries Limited at the balance sheet date	225,163	-
Receivable from Decibel Industries Limited at the balance sheet date	-	-

The amount disclosed as owed to Decibel Industries is a long-term liability repayable on a rolling one year plus one-day basis.

Mark Barney Battles is a director of The League of Angels Limited, which company was party to transactions with the Company as follows

	2017	2016
	£	£
Invoiced to the Company by The League of Angels Limited:		
In respect of the services of Mark Barney Battles	37,500	-
In respect of expenses of Mark Barney Battles	1,435	-
Owed by the Company to The League of Angels Limited at the balance sheet date	-	-
Receivable from The League of Angels Limited at the balance sheet date	-	-

Milamber Ventures Plc
Notes to the Financial Statements – continued
for the Year Ended 31 March 2017

Dapo Ladimeji is a director of Ladimeji & Co, which company was party to transactions with the Company as follows

	2017	2016
	£	£
Invoiced to the Company by Ladimeji & Co:		
In respect of the services of Dapo Ladimeji	15,000	-
In respect of expenses of Dapo Ladimeji	-	-
Owed by the Company to Ladimeji & Co at the balance sheet date	30,000	-
Receivable from Ladimeji & Co at the balance sheet date	-	-

The amount disclosed as owed to Ladimeji & Co is a long-term liability repayable on a rolling one year plus one-day basis.

18 POST BALANCE SHEET EVENTS

In March 2017, an initial 10% equity stake in Essential Learning was acquired, by issuing £50,000 of Milamber Ordinary Shares of 1p each at a price of 20 pence per share. This was publicly announced on 17 May 2017, at that time, a further 5% of equity in Essential Learning was acquired for £25,000 Milamber Ordinary Shares of 1p each at a price of 16 pence per share.

8 May 2017, Andy Hasoon converted £50,000 from his Directors Loan Account into equity for 312,500 Ordinary Shares of 1 pence each at a price of 16p per share.

On 05 July 2017, Milamber appointed First Sentinel Broking as its NEX Stockbroker. First Sentinel plc (traded on the NEX Exchange Growth Market under the symbol FSEN), which is part owned by Brian Stockbridge, the CEO of First Sentinel Broking, invested GBP35,000 in cash for 500,000 Ordinary Shares of 1 pence each at a price of 7 pence per share. The Board of Milamber has previously typically issued shares at 16p per share. The price of 7p per share was agreed so that First Sentinel Broking can sell the shares into the market at a competitive price in order to expand the institutional and retail share base in Milamber.

19 CONTROLLING PARTY

There was no single ultimate controlling party at either the current or preceding balance sheet date.