Annual Report and Accounts

for the year ended 31 August 2020

for

SUMMERWAY CAPITAL PLC

Registered No. 11545912

SUMMERWAY CAPITAL PLC

Contents of the Financial Statements
For the year ended 31 August 2020

SUMMERWAY CAPITAL PLC

Company Information
For the Year Ended 31 August 2020

DIRECTORS, SECRETARY AND ADVISERS

Directors	Alexander Anton (resigned 15 January 2021) Benjamin Shaw Mark Farmiloe (resigned 15 January 2021) David Firth Vinodka (Vin) Murria OBE (appointed 15 January 2021) Paul Gibson (appointed 15 January 2021) Anthony (Tony) Morris (appointed 15 January 2021)
Company Secretary	Cheryl Warren (resigned 15 January 2021) Kerin Williams (appointed 15 January 2021)
Registered Office	32-33 Cowcross Street London EC1M 6DF
Registered Number	11545912
Nominated Adviser and Broker	Nplus1 Singer Advisory LLP 1 Bartholomew Lane London EC2N 2AX
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Solicitors to the Company	Fox Williams LLP 10 Finsbury Square London EC2A 1AF
Principal Bankers	Barclays Bank Plc Level 4, 1 Snowhill, Queensway, Birmingham, B4 6GN
Registrar	Link Market Asset Services Limited 34 Beckenham Road Beckenham Kent BR3 4TU

SUMMERWAY CAPITAL PLC

Group Strategic Report
For the year ended 31 August 2020

CHAIRMAN'S STATEMENT

INTRODUCTION

I am pleased to present the financial results for Summerway Capital Plc ("Summerway") for the year ended 31 August 2020.

Summerway was admitted to trading on AIM, a market operated by the London Stock Exchange on 19 October 2018. Since admission, Alexander Anton, Benjamin Shaw and Mark Farmiloe (the "Founding Directors") have explored investment and acquisition opportunities in line with the Group's initial investing strategy. The Founding Directors have also had discussions with management teams and transaction opportunities in sectors outside of the Group's original investing policy, in particular within the broad sphere of technology and related services.

As a result of one or more of these opportunities arising, on 15 December 2020 and post the period end, the Group announced it intended to change its strategic direction through amending its investing policy, and bringing in additional management with the relevant and proven expertise to implement the revised investing policy.

Following a meeting of the Group's Shareholders on 15 January 2021, the Group's proposed change in strategic direction was approved, and the Group's investing policy has now been amended to a focus on investment and acquisition opportunities across the software, Software-as-a-Service ("SaaS") and digital technologies and services sectors. In conjunction with the change in strategy, a number of directorate changes occurred, including the appointment of myself as Chairman of the Group, and Paul Gibson and Tony Morris as Non-Executive Directors, and the resignations of Alexander Anton and Mark Farmiloe.

As an investing company (as defined by the AIM Rules for Companies), under the new strategy and with the enhanced Board's expertise, respective reach and relationships, the Group will identify target companies within the software, SaaS and digital technologies and services sectors, where the Directors believe there are tangible opportunities to drive strategic, operational and performance improvement, either as standalone entities or as a part of an enlarged group. This process will include a review of opportunities where the Directors have existing relationships together with a methodical review of small cap opportunities across the UK and EU markets.

Following the completion of the recent placing as part of the change in strategic direction announced on 15 January 2021, the Group is well capitalised with in excess of £7.1 million in unaudited cash as at 29 January 2021, and despite the ongoing challenges of the current COVID-19 pandemic in general, technology related sectors show continued resilience and substantial growth potential, presenting a number of investment and acquisition opportunities for the Directors to consider under the Group's new investing policy.

BUSINESS REVIEW

For the financial year ended 31 August 2020, the Group has actively pursued its investment strategy, and post the period end in January 2021, changed strategic direction to focus on investment and acquisition opportunities across the software, SaaS and digital technologies and services sectors.

During the period, Summerway recorded an accounting loss of £174,511 (2019: £191,320) and the loss per share was 2.85p (2019: 3.60p) and had cash reserves at the end of the period (and therefore prior to the recently completed placing) of £5,487,991 (2019: £5,647,837) with no debt financing.

The Directors continue to actively consider and review a number of investment opportunities and acquisition targets under the Group's new investing policy. Although the Company has only recently received Shareholder approval for its new investing policy, it is required under the AIM Rules, to seek shareholder approval of its investing policy again at the forthcoming annual general meeting. Further details of the investing policy resolution are set out in the notice of annual general meeting, which accompanies this document.

FUTURE DEVELOPMENTS

We will continue to evaluate investment and acquisition opportunities within the Group's revised investing policy. As a Board we are committed to minimising operating costs during the period until such time as a deal has been concluded. I hope to be able to announce Summerway's first transaction in the coming twelve months.

KEY PERFORMANCE INDICATORS

The Board seeks to maximise shareholder value by investing in, and acquiring businesses with high growth potential. When an opportunity has been identified, the Board will review it against a number of KPI's to assess its suitability.

RISK MANAGEMENT

In order to execute the Group's strategy, the Company and its subsidiaries will be exposed to both financial and non-financial risks. The Board has overall responsibility for the Group's risk management and it is the Board's role to consider whether those risks identified by management are acceptable within the Group's strategy and risk appetite. The Board therefore regularly reviews the principal risks and considers how effective and appropriate the controls that management has in place to mitigate the risk exposure are and will make recommendations to management accordingly.

Financial Risk Management

The Directors consider the Group to be exposed to the following financial risks:

a. Price risk: the price paid for securities is subject to market movement that will have an impact on the operations of the Group;

b. Cash flow interest rate risk: the Group has significant cash balances which expose it to movement in the market interest rates; and

c. Liquidity risk: the Group manages its cash requirements in order to maximise interest income.

Given the relatively small size and operation of the Group in the period, the Directors have not delegated the responsibility of risk monitoring to a sub-committee of the Board, but will closely monitor the risks on a regular basis. The Directors consider their exposure in the financial period to have been low. Refer to Note 19 for assessment of the risks arising from financial instruments.

Non-financial Risk Management

The non-financial risk factors for the financial year ended 31 August 2020 did not materially change from those set out in Summerway's Admission Document dated 19 October 2018.

S 172 STATEMENT

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. Directors need to have regards, amongst other matters, to the:

- Likely consequences of any decisions in the long-term;
- Interests of the Company's employees;
- Need to foster the Company's business relationships with suppliers, customers and others;
- Impact of the Company's operations on the community and environment;
- Desirability of the Company maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the Company.

In discharging their section 172 duties the Board consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company and has regards to the factors set out above as well as other factors which they consider relevant to the decision being made, for example, the investment policy agreed by the Shareholders.

ON BEHALF OF THE BOARD

Vin Murria OBE
Chairman

1 February 2021

SUMMERWAY CAPITAL PLC

Corporate Governance Report
For the year ended 31 August 2020

CHAIRMAN'S STATEMENT

As Chairman, my role includes upholding the highest standards of corporate governance throughout the Group, particularly at the Board level. It therefore gives me great pleasure to introduce our Governance Statement.

The Principles of Corporate Governance

As a Board we aim to deliver the highest standards of corporate governance and recognise its importance in supporting our strategic goals and long-term success. The Board reviewed the Group's corporate governance framework on incorporation in 2018 and deemed it appropriate to adopt the Quoted Companies Alliance Code ("QCA Code"), where appropriate for the Group to do so.

The QCA Code aims to apply the key elements of the UK Corporate Governance Code and other relevant governance guidance to the needs of small and medium-sized listed PLCs and therefore we continue to consider that the QCA Code is the most appropriate governance code for the Group and we remain committed to applying the QCA Code in a way which best serves our stakeholders. We explain further below how we adhere to the ten principles of the QCA Code.

There are however certain areas where the Group's current practices deviate from the QCA Code due to its current size and stage in its development. Specifically, this includes only retaining one Independent Non-Executive Director on the Board and not having yet established a nominations committee. The Board continues to evaluate this position and at the appropriate time, will look to augment and address these deviations from the QCA Code when the size, complexity and scale of the Group merits such changes.

The Board has collective responsibility for setting the strategic aims and objectives of the Group. These aims are articulated in the Chairman's statement in the Annual Report.

Delivering growth

The Company was incorporated in August 2018 as an acquisition company, and in January 2021, changed its strategy to focus on investment and acquisition opportunities across the software, SaaS and digital technologies and services sectors. The Group has yet to complete its first investment or acquisition, however the Board continues to undertake a rigorous search for potential investee businesses and assets, with the aim of identifying an opportunity which the Directors consider offers the potential for attractive returns for shareholders. Pending completion of the first transaction, the Directors will continue to engage with shareholders to ensure it understands the needs and expectations of its shareholder base, and to maintain ongoing support for its investing strategy.

Risk management

As the Group has yet to complete its first investment or acquisition, it has limited financial statements and/or historical financial data, and limited trading history. As such, the Group is subject to the risks and uncertainties associated with an early stage investment company, including the risk that the Group will not achieve its investment objectives and that the value of an investment could decline and may result in the partial or complete loss of capital invested. The past performance of investee companies or assets managed by the Directors will not necessarily be a guide to future business, results of operations, financial condition or prospects of the Group.

In order to mitigate against these risks, the Directors undertake thorough due diligence on investment opportunities and acquisition targets, to a level considered reasonable and appropriate by the Group on a case by case basis, including the potential commissioning of third-party specialist reports as appropriate. Following completion of each investment or acquisition, it is intended that any investments or assets will be managed by the Directors, assisted by the Group's professional advisers. In order to further mitigate against the risk of a decline in performance of investments or assets, the Group will consider partnering with exceptional executive and operational management teams with relevant sector knowledge and expertise.

Maintaining a Dynamic Management Framework

As Chairman, I will consider both the operation of the Board as a whole and the performance of individual Directors regularly. Given the current stage of operations of the Group, the Directors consider that the balance of experience, skills and personal qualities of the Board is sufficient for its stage of development. Upon completion of the Group's first transaction, the Board will reassess its composition, independence and balance of skills, experience and diversity, so to ensure ongoing compliance with QCA Code Principles 5 and 6. During the year under review David Firth carried out a small number of financial administrative tasks to ensure a segregation of duties within the finance function. This will not be necessary for future periods and the Board continues to judge David to be independent for the purposes of the QCA Code Principle 5.

Building Trust

Responsibility for the overall leadership of the Group and setting the Group's values and standards sits with the Board. As the Company is an investing company and yet to complete its first transaction, it has limited operations. The Directors intend to seek to invest in or acquire businesses with a corporate culture based on sound ethical values and behaviours, and to continue to promote such values and behaviours following completion of the transaction.

Throughout the year, the Board has continued to review governance and the Group's corporate governance framework against the QCA Code. These reviews took place in June 2020 and in January 2021 and will continue annually as required by AIM Rule 26.

Vin Murria OBE

Chairman

1 February 2021

BOARD STRUCTURE AND OPERATION

During the financial year ended 31 August 2020, the Board comprised three Executive Directors and one Independent Non-Executive Director, which was considered a necessary mix of industry specific and broad business experience for the effective governance of the Group.

On 15 January 2021, a number of directorate changes occurred, including the appointment of Vin Murria OBE as Chairman, Paul Gibson and Tony Morris as Non-Executive Directors, and the resignations of Alexander Anton and Mark Farmiloe as Executive Chairman and Executive Director respectively. The new Board now consists of one Chairman, three Non-Executive Directors and one Independent Non-Executive Director, which is considered an effective and appropriate composition for the stage of the Group's development and revised investing policy.

There are certain matters specifically reserved for the Board for its decision, including approvals of major expenditure, investments and key policies. The Board operates formally through meetings of the full Board, and informally through regular contact between Directors. The agenda for the board meetings is prepared by the Company Secretary in consultation with the Chairman of the Board. All Directors participate in the key areas of decision making and no material decisions are made without the consultation of the Board.

The Board is responsible to shareholders for the proper management of the Group. A Statement of Directors' Responsibilities in respect of the financial statements is set out on page 14. To enable the Board to discharge its duties, the Directors have full and timely access to all relevant information. The Board is supported in its work by Board Committees, which are responsible for a variety of tasks delegated by the Board.

Each of the Directors submit themselves for re-election at the Annual General Meeting in accordance with the Company's Articles of Association.

A brief biography of the Directors who served during the year or were appointed post period end, is set out below.

Alexander Anton *(Chairman)*, aged 61 (resigned 15 January 2021)

Previously Alexander was Chairman of The Queen's Club and led the complex members' buy-out of the club and business from the LTA for £35m in 2007 and a non-executive Director of Victoria PLC. Alexander is the founder of Legacy Portfolio, a business that provides solutions for corporate lease liability portfolios.

Benjamin Shaw *(Director),* aged 52

Benjamin Shaw has worked extensively in private equity and investment management. He was a co-founder of the Marwyn Group, based in London and Jersey, an award-winning fund management and advisory business that created a portfolio of listed businesses, developed in partnership with leading institutional investors.

During Ben's time at Marwyn, portfolio companies raised over £5 billion of funding through a combination of Marwyn's own capital and active co-investment program, delivering over 30 per cent. annual investment returns. Marwyn originated over 10 investment vehicles prior to Ben's departure, investing in partnership with experienced management teams across a range of sectors including automotive, computer software, media and entertainment, training, drug testing and laboratories, leisure, reinsurance, food and confectionary, construction and heavy aggregates, and completed the acquisition of over 50 businesses. Significant companies in the Marwyn portfolio in the period included Entertainment One plc (ETO), Advanced Computer Software plc (ASW) and Breedon Aggregates plc (BREE).

Ben has broad private and listed company board level experience.

Mark Farmiloe *(Director)*, aged 40 (resigned 15 January 2021)

Mark Farmiloe is a qualified solicitor and has 16 years' experience of working in corporate finance. During his career, Mark has executed numerous public and private acquisitions, fundraisings, restructurings and strategic reviews and has worked in a wide range of sectors including transport, retail, services, resources, utilities and real estate in the UK and internationally.

Mark started his career at Jones Day where he primarily focused on public and private M&A. He subsequently worked at Gleacher Shacklock LLP as an investment banker.

David Firth *(Independent Non-Executive Director and chairman of the remuneration committee and audit committee),* aged 60

David Firth is a Fellow of the Institute of Chartered Accountants in England and Wales and is a highly experienced PLC board member. He is a non-executive director of Parity Group Plc, an IT services and data consultancy business where he is chairman of its audit and remuneration committees. He is also a non-executive director of Best of the Best plc, an organizer of weekly competitions to win cars and other luxury prizes, where he is chairman of its audit committee. He was Finance Director of Penna Consulting plc from 1999 to 2016 and has held a number of board positions in public companies over the past 30 years across various sectors including HR consultancy and recruitment, IT services, financial markets, motor retailing and advertising.

Vin Murria OBE *(Chairman and member of the remuneration committee),* aged 58 (appointed 15 January 2021)

As a leading software and technology entrepreneur, Vin Murria has created and led numerous growth strategies, which have delivered substantial returns for shareholders.

During her executive career, she was the founder and Chief Executive Officer of Advanced Computer Software Group plc from 2008 until 2015 where she built the business organically and through acquisition from an initial cash shell to its eventual £725 million sale to Vista Equity Partners, generating significant double-digit returns for its shareholders. The business was named Tech Company of the Year (2014) having grown to be the 3rd largest UK headquartered software business. Prior to Advanced Computer Software, Vin was Chief Executive Officer of Computer Software Group plc from 2002 until 2007, completing a number of acquisitions, including a merger with IRIS Software, and subsequently exiting the business to Hellman and Friedman at a £500 million valuation. Prior to this, Vin was at Kewill Systems plc (1986-2001) where she was Group Chief Operating Officer.

Vin is also presently a non-executive director of Softcat plc, a leading provider of technology solutions and services, and Bunzl plc, the international distribution and services group, as well as Chairman of MAC1, a standard-listed acquisition vehicle. She was awarded an OBE in 2018 for services to the digital economy and was previously a non-executive director of DWF plc, finnCap plc, Sophos Group plc, Zoopla Group plc, Greenko Group plc and Chime Communications plc as well as a Senior Advisor at NM Rothschild and an Operating Partner at HG Capital.

Vin was named Asian Woman of the Year (2010), CISCO's Woman of the Year (2012) and Tech Entrepreneur of the Year (2012).

Paul Gibson *(Non-Executive Director),* aged 56 (appointed 15 January 2021)

Paul Gibson has had a highly successful career in the TMT sector, most recently as the Operating Partner responsible for software investments at MXC Capital. He held non-executive director and advisory roles at Castleton Technology plc and Tax Systems plc until their respective take private transactions to private equity backed vehicles in 2020 and 2019 respectively.

Previously, Paul held the board position of Chief Operating Officer of Advanced Computer Software Group plc prior to its acquisition by Vista Equity Partners. Prior to this, he held a number of senior roles in both financial and operational capacities, latterly as Finance Director of Redac Limited, the Alchemy backed turnaround that was subsequently sold to Advanced Computer Software for £100 million. The foundations of Paul's career were built at Unigate, GrandMet (now Diageo) and Oracle.

Tony Morris *(Non-Executive Director and member of the audit committee),* aged 40 (appointed 15 January 2021)

Tony Morris has over 15 years' transacting experience as principal and advisor in M&A and equity capital markets, and has previously worked with Vin on M&A and capital raising activities for Advanced Computer Software plc.

He is a co-founder and director of Tessera Investment Management, a strategic advisory firm which provides specialist transaction support to organisations undertaking corporate development activity. Prior to co-founding Tessera in 2012, Tony spent four years in the investment team at Marwyn Capital, an investment firm, having previously started his career within Leveraged Finance at Barclays Bank.

Tony also currently serves as a non-executive director of Michelmersh Brick Holdings Plc, the AIM-listed specialist brick manufacturer.

Training and Development

Directors are encouraged to continue their ongoing professional development.

External Advisers

The Board has access to Fox Williams LLP as legal advisors and Nplus1 Singer Advisory LLP as Nominated Adviser and Broker. Advice sought has not been significant in the period as the Group is yet to complete its first platform acquisition.

Time Commitment

The time commitment expected of the Non-Executive Directors is set out in their letters of appointment. The nature of the role makes it difficult to place a specific time commitment, however a minimum of one day per month is what the Company anticipates as reasonable for the proper performance of duties. Directors are expected to attend all Board and Committee meetings.

The Board has established an Audit Committee and Remuneration Committee, each of which have written terms of reference. Given the size of the Board there is no separate Nominations Committee, and all Board members participate in the appointment of new Directors.

Board Evaluation

At present, the Board evaluation process is limited to an ongoing informal evaluation of the performance of the Board and individual directors undertaken by the Chairman. This will be replaced by a formal, annual evaluation process once the Group undertakes its first investment or acquisition.

AUDIT COMMITTEE REPORT

The Audit Committee members for the financial year ended 31 August 2020 were David Firth and Mark Farmiloe. The Committee Chairman, David Firth, has extensive financial experience and is a Chartered Accountant.

The Audit Committee meets as often as it deems necessary but, in any case, at least twice a year. These meetings are scheduled at appropriate intervals in the reporting and audit cycle.

Although only members of the Committee have the right to attend meetings, standing invitations are extended to all Directors who attend meetings as a matter of practice. The external auditors also usually attend and have the opportunity to meet with the Committee without the executive management present.

Duties

The main duties of the Audit Committee are set out in its Terms of Reference and include the following:

- To monitor the integrity of the financial statements of the Company, including its annual and half-year reports;
- To review and challenge where necessary the consistency of and any changes to accounting policies, the methods used to account for significant or unusual transactions and whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor, and all material information presented with the financial statements;
- To keep under review the effectiveness of the Company’s internal control and risk management systems and to review and approve the statements to be included in the Annual Report concerning internal controls and risk management;
- To regularly review the need for an internal audit function;
- To consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, reappointment and removal of the Company’s external auditor;
- To oversee the relationship with the external auditor including approval of their remuneration, approval of their terms of engagement, annual assessment of their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
- To meet regularly with the external auditor and at least once a year, without management present to discuss any issues arising from the audit;
- To review and approve the Audit Plan and review the findings of the audit.

The principal areas of focus for the Committee during the year included the following items:

- Review of internal controls;
- Review of the external auditors’ report and significant issues from the audit report;
- Review of the Annual Report and financial statements;

– Approval of the management representation letter;

– Review of the independence of the auditors, review of auditors' fees and engagement letter.

Role of the external auditors

The Audit Committee monitors the relationship with the external auditors, RSM UK Audit LLP, to ensure that the auditors' independence and objectivity are maintained. The Committee assesses the independence of the external auditors and the effectiveness of the external audit process before making recommendations to the Board in respect of their appointment or reappointment. In assessing independence and objectivity, the Committee considers the level and nature of services provided by the external auditors as well as confirmation from the external auditors that they have remained independent within the meaning of the APB Ethical Standards of Auditors.

The Committee's assessment of the external auditors' independence took into consideration the non-audit services provided during the year. The Committee concluded that the nature and extent of the non-audit fees did not compromise the independence of the auditors.

Having reviewed the auditors' independence and performance, the Audit Committee is recommending that RSM UK Audit LLP be reappointed as the Company's auditors at the next Annual General Meeting.

Internal audit

The Group has assessed the need for an internal audit function and it is considered that in light of the existing control environment within the business, there is currently no requirement for a separate internal audit function.

Audit process

The external auditors prepare an Audit Plan for their review of the full year financial statements. The Audit Plan sets out the scope of the audit, areas to be targeted and audit timetable. Following their review, the auditors present their findings to the Audit Committee for discussion. No major areas of concern were highlighted by the auditors during the year.

David Firth

Chairman of the Audit Committee

1 February 2021

REMUNERATION COMMITTEE

The Remuneration Committee for the financial year ended 31 August 2020, comprised of David Firth and Alexander Anton. It is responsible for making recommendations to the Board on the Group's framework of executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for all Executive Directors. The Board itself determines the remuneration of the Non-Executive Directors. The Report of the Remuneration Committee is set out on page 9.

BOARD MEETING ATTENDANCE

Directors' attendance at scheduled Board meetings is show below:

	Board Meeting	Remuneration	Audit
Alexander Anton	5/5	1/1	
Benjamin Shaw	5/5		
Mark Farmiloe	5/5		2/2
David Firth	5/5	1/1	2/2

INTERNAL FINANCIAL CONTROL

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately. The Group maintains a comprehensive process of financial reporting. The annual budget is reviewed and approved by the Board before being formally adopted. Other key procedures that have been established and which are designed to provide effective control are as follows:

Management structure – The Board meets regularly to discuss all issues affecting the Group;

Investment appraisal – The Group has a clearly defined framework for investment appraisal and approval is required by the Board, where appropriate.

The Board regularly reviews the effectiveness of the systems of internal control and considers the major business risks and the control environment. No significant deficiencies have come to light during the period and no weaknesses in internal financial control have resulted in any material losses, or contingencies which would require disclosure, as recommended by the guidance for directors on reporting on internal financial control.

RELATIONS WITH SHAREHOLDERS

The Chairman is the Group's principal spokesperson with investors, fund managers, the press and other interested parties. As well as the Annual General Meeting with shareholders, the other Directors may give formal presentations at investor road shows following the announcement of interim and full year results

This year's Annual General Meeting will be held on 26 February 2021. Notice of the Annual General Meeting has been sent to shareholders separately.

SUMMERWAY CAPITAL PLC

Report of the Remuneration Committee
For the year ended 31 August 2020

This report does not constitute a Directors' Remuneration Report in accordance with the Directors' Remuneration Regulations 2007, which do not apply to the Company as its ordinary shares are admitted to AIM and do not have a Standard or Premium listing on the London Stock Exchange. This Report sets out the Company's policy on Directors' remuneration, including emoluments, benefits and other share-based awards made to each Director.

REMUNERATION COMMITTEE

The members of the Committee for the financial year ended 31 August 2020 were David Firth (Chairman of the Committee) and Alexander Anton.

Details of the remuneration of each Director are set out below.

No Director plays a part in any discussion about his own remuneration.

REMUNERATION POLICY

The Remuneration Committee is responsible for considering all material elements of remuneration policy, the remuneration and incentivisation of Directors and senior management and to make recommendations to the Board on the framework for executive remuneration and its cost. The role of the Remuneration Committee is to keep under review the Company's remuneration policies to ensure that the Company attracts, retains and motivates the most qualified talent who will contribute to the long-term success of the Company.

PENSION ARRANGEMENTS

There were no contributions to any Directors' pension scheme during the year.

EXECUTIVE DIRECTORS' CONTRACTS

Under the terms of these agreements, which were terminated on 15 January 2021 with a *pro rata* payment up to and including the 15 January 2021, each director was paid a salary of £1,000 per month, or such other rate as maybe agreed from time to time, which is subject to an annual review by the Company. Terms for the newly appointed Directors can be found under Note 22 Post Balance Sheet Events.

Each Executive Director's service agreement was terminable on twelve months' written notice served by either. The Company may terminate a service agreement at any time by making a payment in lieu of the notice period (or, if applicable, the remainder of the notice period) in an amount equivalent to the salary and may also place an Executive Director on garden leave during all or part of the notice period. In the event an Executive Director was guilty of gross misconduct or in certain other specified circumstances, the Company may terminate the agreement with immediate effect and without notice or payment in lieu thereof.

The terms of each Executive Director service agreement contained certain restrictive covenants applicable for a term of either twelve months following termination in respect of non-competition, non-solicitation of customers, non-dealing with customers, non-interference with suppliers and non-poaching of key employees. In addition, each Executive Director was required to keep information about the Company confidential and to assign to the Company any intellectual property made by him in the course of his employment.

NON-EXECUTIVE DIRECTOR

Pursuant to a letter of appointment dated 12 October 2018, David Firth was appointed Non-executive Director of the Company as of 12 October 2018 and on an ongoing basis. David Firth is entitled to an aggregate annual fee of £18,000 per annum, including in respect of any service on any Board committee.

David Firth's letter of appointment is terminable on three months' notice without entitlement to any compensation (save for any accrued but unpaid fees as at such termination date and any termination payment due) at any time by written notice from either the Company or David Firth. Otherwise, David Firth must stand for re-election at the Company's annual general meeting at least every three years. If David Firth is not re-elected by the Shareholders at any time and for any reason, David Firth's appointment will terminate automatically with immediate effect and without compensation.

DIRECTORS' REMUNERATION

	Salary	Bonus	Benefits in kind	Pension	31 August 2020 Total	31 August 2019 Total
Director	*£*	*£*	*£*	*£*	*£*	*£*
Alexander Anton	12,000	-	-	-	12,000	11,000
Benjamin Shaw	12,000	-	-	-	12,000	11,000
Mark Farmiloe	12,000	-	-	-	12,000	11,000
David Firth	18,000	-	-	-	18,000	16,500
	54,000	-	-	-	54,000	49,500

Subsidiary Incentive Scheme

The Directors believe that the success of the Company will depend to a high degree on the future performance of key employees in executing the Company's growth strategy. The Company has therefore established equity-based incentive arrangements which are, and will continue to be, an important means of retaining, attracting and motivating key employees and contractors, and also for aligning the interests of the Directors with those of Shareholders.

On 12 October 2018, the Subsidiary was incorporated to implement the Subsidiary Incentive Scheme for the Executive Directors of the Company in order to further align their interests directly with those of Shareholders. On 15 January 2021, the Company announced that it had made certain amendments to the Subsidiary Incentive Scheme in order to cater for the management changes linked to the change in strategic direction of the Company.

A summary of those amendments are set out below and detailed further in Note 22.

Item	Previous Subsidiary Incentive Scheme	Amended Subsidiary Incentive Scheme
Percentage of Shareholder Value available to Scheme Participants (pre acquisition of, or investment in operating company)	10 per cent.	Up to 20 per cent.
Target compound annual growth rate hurdle	13.5 per cent.	7.5 per cent
Commencement date	On Admission	15 January 2021
Initial Value	Market capitalisation on Admission	Unchanged
Vesting period	Three- to five-year period or upon a change of control of the Company or the Subsidiary	Unchanged
Scheme Participants, respective B Share holdings and current aggregate Shareholder Value participation	Alexander Anton – 333,333 Benjamin Shaw – 333,333 Mark Farmiloe – 333,333	Alexander Anton – 75,000 Benjamin Shaw – 75,000 Mark Farmiloe – 75,000 Tony Morris – 175,000 Vin Murria – 1,000,000 Paul Gibson – 50,000 Aggregated – 1,450,000

Under the Subsidiary Incentive Scheme, participants are only rewarded if a predetermined level of Shareholder value is created over a three-year period, a five-year period, or upon a change of control of the Company (whichever occurs first), which is calculated by reference to the growth in market capitalisation of the Company, following adjustments for the issue of any new Ordinary Shares and taking into account dividends and capital returns.

From 15 January 2021, participants will now be entitled to up to 20 per cent. of the shareholder value created, subject to such shareholder value having increased by 7.5 per cent. per annum compounded over a period of between three and five years from 15 January 2021 or following a change of control of the Company or the Subsidiary.

Further details of the terms of the Subsidiary Incentive Scheme can be found on pages 42 and 43 of the Company's Admission Document published on 16 October 2018 and in Notes 5, 18 and 22 of these financial statements.

APPROVAL

The report was approved by the Board of Directors and authorised for issue on 1 February 2021 and signed on its behalf by:

David Firth
Independent Non-Executive Director

1 February 2021

SUMMERWAY CAPITAL PLC

Report of the Directors
For the year ended 31 August 2020

The Directors of Summerway Capital Plc present their report for the year ended 31 August 2020. Particulars of important events affecting the Company and its subsidiary and likely future developments may be found in the Strategic Report on pages 2 to 3.

DIRECTORS

The Directors during the year and summaries of their experience are set out on pages 5 to 6. The Directors who held office during the year and their beneficial interest in the share capital of the Company at 31 August 2020 were as follows:

	31 August 2020
Alexander Anton (resigned 15 January 2021)	1,100,000
Benjamin Shaw	500,000
Mark Farmiloe (resigned 15 January 2021)	50,000
David Firth	-

DIVIDENDS

No dividends were paid during the year or declared as at the date of this report (2019: Nil)

SHARE CAPITAL

On 19 October 2018 the entire ordinary shareholding of the Company was admitted to AIM, a market regulated by The London Stock Exchange. Details of the Company's share capital are set out in Note 16. The Company's share capital consists of one class of ordinary share, which does not carry rights to fixed income. As at 31 August 2020, there were 6,130,000 ordinary shares of 1p each in issue. Ordinary shareholders are entitled to receive notice and to attend and speak at general meetings. Each shareholder present in person or by proxy (or by duly authorised corporate representatives) has, on a show of hands, one vote. On a poll, each shareholder present in person or by proxy has one vote for each share held.

Other than the general provisions of the Articles (and prevailing legislation) there are no specific restrictions on the size of a holding or on the transfer of the ordinary shares. The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights. No shareholder holds securities carrying any special rights or control over the Company's share capital.

Following the completion of a subscription agreement dated 15 December 2020, Vin Murria subscribed for 1,903,409 ordinary shares of 1p. Application was made to the London Stock Exchange for these shares to be admitted to trading on AIM effective 18 January 2021. As at 15 January 2021, the total number of ordinary shares of 1p in issue was 8,033,409 and the total number of voting rights was 8,033,409. Further details can be found in Note 22.

SUBSTANTIAL SHAREHOLDERS

As at 22 January 2021, the Company had been advised of the following notifiable interests (whether directly or indirectly held) in its voting rights.

Name	*Shareholding*	*Percentage*
Vin Murria OBE	2,403,409	29.9%
Alexander Anton	1,100,000	13.7%
Whitehall Associates S.A.	994,000	12.4%
Trevor Fenwick	750,000	9.3%
Benjamin Shaw	500,000	6.2%
Stephen Heath	500,000	6.2%

DIRECTORS' INDEMNIFICATION AND INSURANCE

The Company's Articles of Association provide for the Directors and Officers of the Company to be appropriately indemnified, subject to the provisions of the Companies Act 2006. The Company purchases and maintains insurance for the Directors and Officers of the Company in performing their duties, as permitted by section 233 of the Companies Act 2006.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY

As the Company has yet to complete its first investment or acquisition and it has only four employees, limited travel and no premises the Company has consumed less than 40,000 kWh of energy so the Directors consider that no disclosure for greenhouse gas emissions, energy consumption and energy efficiency reporting is required.

POLITICAL CONTRIBUTIONS

The Company has made no political contributions during the year.

CHARITABLE DONATIONS

The Company has made no Charitable donations during the year.

POST BALANCE SHEET EVENTS

Details of post balance sheet events are disclosed in Note 22.

DISCLOSURE IN THE STRATEGIC REPORT

The Company has chosen, in accordance with Section 414C of the Companies Act 2006, to set out the following information in the Group Strategic Report which would otherwise be required to be contained in the Report of the Directors:

– Outlook; and

– Risk management, including financial risk management and non-financial risk management.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare group and company financial statements for each financial year. The Directors are required by the AIM rules of the London Stock Exchange to prepare group financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Directors have elected under company law to prepare the company financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

– select suitable accounting policies and then apply them consistently;

– make judgements and accounting estimates that are reasonable and prudent;

– state that the financial statements comply with International Accounting Standards in conformity with the requirements of the Companies Act 2006; and

– prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 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 and financial information included on the Company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditor is unaware and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

AUDITOR

The auditor, RSM UK Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

David Firth
Independent Non-Executive Director

1 February 2021

SUMMERWAY CAPITAL PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUMMERWAY CAPITAL PLC
For the year ended 31 August 2020

Opinion

We have audited the financial statements of Summerway Capital plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Summary of our audit approach

Key audit matters	● We have determined that there are no key audit matters to communicate in our report for the year ended 31 August 2020.
Materiality	**Group** ● Overall materiality: £54,500 ● Performance materiality: £40,900 **Parent Company** ● Overall materiality: £54,500 ● Performance materiality: £40,900
Scope	Our audit procedures covered 100% of total assets and 100% of loss before tax.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	**Parent company**
Overall materiality	£54,500	£54,500
Basis for determining overall materiality	1% of net assets	1% of net assets
Rationale for benchmark applied	As the company remains an investing company in accordance with AIM rule, net assets are considered to be the most appropriate benchmark.	As the company remains an investing company in accordance with AIM rule, net assets are considered to be the most appropriate benchmark.
Performance materiality	£40,900	£40,900
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Specific performance materiality for income statement items	£13,625 (25% of overall materiality)	£13,625 (25% of overall materiality)
Reporting of misstatements to the Audit Committee	Misstatements in excess of £2,720 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £2,720 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of two components, both of which are based in the UK. The subsidiary was dormant for the accounting period and so our work was focussed on the parent company and consolidated results for the year ended 31 August 2020 and covered 100% of the group's total expenses, total assets and loss before tax.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Paul Watts *(Senior Statutory Auditor)*
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London, EC4A 4AB

1 February 2021

SUMMERWAY CAPITAL PLC

Consolidated Statement of Comprehensive Income
For the year ended 31 August 2020

	Note	*Year ended 31 August 2020*	*Year ended 31 August 2019*
		£	£
Administrative expenses	7	(186,552)	(205,882)
Operating loss		**(186,552)**	**(205,882)**
Finance income	9	12,041	14,562
Loss before income tax	10	**(174,511)**	**(191,320)**
Income tax	11	-	-
Loss for the year		**(174,511)**	**(191,320)**
Total other comprehensive income		-	-
Total comprehensive loss		**(174,511)**	**(191,320)**
Attributable to:			
Ordinary equity holders of the Company		(174,511)	(191,320)
Loss per ordinary share			
Basic and diluted loss per share attributable to ordinary equity holders of the Company	13	(2.85)p	(3.60)p

The Company’s activities derive from continuing operations.

The notes form part of these financial statements

SUMMERWAY CAPITAL PLC

Consolidated Statement of Financial Position
As at 31 August 2020

	Note	*As at 31 August 2020*	*As at 31 August 2019*
		£	*£*
Assets			
Current assets			
Cash and cash equivalents		5,487,991	5,647,837
Other receivables	15	9,779	15,670
Total current assets		**5,497,770**	**5,663,507**
Total assets		**5,497,770**	**5,663,507**
Current liabilities			
Trade and other payables	17	29,715	20,941
		29,715	20,941
Non-current liabilities			
Incentive shares	18	12,000	12,000
Total liabilities		**41,715**	**32,941**
Net Assets		**5,456,055**	**5,630,566**
Capital and reserves attributable to equity holders of the parent			
Share capital	16	61,300	61,300
Share premium reserve		5,711,086	5,711,086
Capital redemption reserve		49,500	49,500
Accumulated losses		(365,831)	(191,320)
Total Equity		**5,456,055**	**5,630,566**

The financial statements of Summerway Capital plc (registered number 11545912) were approved by the Board of Directors on 1 February 2021 and were signed on its behalf by:

……………………………..
David Firth - Director

The notes form part of these financial statements

SUMMERWAY CAPITAL PLC

Company Statement of Financial Position
As at 31 August 2020

	Note	*As at 31 August 2020*	*As at 31 August 2019*
		£	*£*
Assets			
Non-current liabilities			
Investment in subsidiary undertaking	14	-	-
Current assets			
Cash and cash equivalents		5,487,991	5,647,837
Other receivables	15	9,779	15,670
Total current assets		**5,497,770**	**5,663,507**
Total assets		**5,497,770**	**5,663,507**
Liabilities			
Current liabilities			
Trade and other payables	17	41,715	32,941
Total liabilities		**41,715**	**32,941**
Net Assets		**5,456,055**	**5,630,566**
Capital and reserves attributable to equity holders of the parent			
Share capital	16	61,300	61,300
Share premium reserve		5,711,086	5,711,086
Capital redemption reserve		49,500	49,500
Accumulated losses		(365,831)	(191,320)
Total Equity		**5,456,055**	**5,630,566**

The loss attributable to shareholders dealt with in the financial statements of the Company was £174,511 (2019: £191,320).

The financial statements of Summerway Capital plc (registered number 11545912) were approved by the Board of Directors on 1 February 2021 and were signed on its behalf by:

……………………………..
David Firth - Director

The notes form part of these financial statements

SUMMERWAY CAPITAL PLC

Consolidated Statement of Changes in Equity
For the year ended 31 August 2020

	Notes	*Share capital*	*Deferred shares*	*Share Premium reserve*	*Capital Redemption reserve*	*Accumulated losses*	*Total equity*
		£	*£*	*£*	*£*	*£*	*£*
Balance as at 31 August 2018		-	-	-	-	-	-
Issue of initial shares		50,000	-	-	-	-	50,000
Shares split		(49,500)	49,500	-	-	-	-
Cancellation of deferred shares		-	(49,500)	-	49,500	-	-
Issue of shares		60,800	-	6,019,200	-	-	6,080,000
Share issue costs		-	-	(308,114)	-	-	(308,114)
Loss for the year		-	-	-	-	(191,320)	(191,320)
Balance as at 31 August 2019		61,300	-	5,711,086	49,500	(191,320)	5,630,566
Loss for the year		-	-	-	-	(174,511)	(174,511)
Balance as at 31 August 2020		61,300	-	5,711,086	49,500	(365,831)	5,546,055

Company Statement of Changes in Equity
For the year ended 31 August 2020

	Notes	*Share capital*	*Deferred shares*	*Share Premium reserve*	*Capital Redemption reserve*	*Accumulated losses*	*Total equity*
		£	*£*	*£*	*£*	*£*	*£*
Balance as at 31 August 2018		-	-	-	-	-	-
Issue of initial shares		50,000	-	-	-	-	50,000
Shares split		(49,500)	49,500	-	-	-	-
Cancellation of deferred shares		-	(49,500)	-	49,500	-	-
Issue of shares		60,800	-	6,019,200	-	-	6,080,000
Share issue costs		-	-	(308,114)	-	-	(308,114)
Loss for the year		-	-	-	-	(191,320)	(191,320)
Balance as at 31 August 2019		61,300	-	5,711,086	49,500	(191,320)	5,630,566
Loss for the year		-	-	-	-	(174,511)	(174,511)
Balance as at 31 August 2020		61,300	-	5,711,086	49,500	(365,831)	5,568,055

The notes form part of these financial statements

SUMMERWAY CAPITAL PLC

Consolidated Statement of Cash Flows
For the year ended 31 August 2020

	Note	*Year ended 31 August 2020*	*Year ended 31 August 2019*
		£	£
Cash flows from operating activities			
Operating loss		(186,552)	(205,882)
Adjustments to reconcile loss before income tax to operating cash flows:			
Decrease/(increase) in other receivables	15	5,891	(15,670)
Increase in trade and other payables	17,18	8,774	32,941
Bank interest received		12,041	14,562
Net cash used in operating activities		**(159,846)**	**(174,049)**
Cash flows from financing activities			
Proceeds from issue of share capital	16	-	6,130,000
Share issue costs		-	(308,114)
Net cash generated from financing activities		**-**	**5,821,886**
Net (decrease)/increase in cash and cash equivalents		(159,846)	5,647,837
Cash and cash equivalents at beginning of the period		5,647,837	-
Cash and cash equivalents at the end of the period		**5,487,991**	**5,647,837**

The notes form part of these financial statements

SUMMERWAY CAPITAL PLC

Company Statement of Cash Flows
For the year ended 31 August 2020

	Note	*Year ended 31 August 2020*	*Year ended 31 August 2019*
		£	£
Cash flows from operating activities			
Operating loss		(186,552)	(205,882)
Adjustments to reconcile loss before income tax to operating cash flows:			
Increase in other receivables	15	5,891	(15,670)
Increase in trade and other payables	17, 18	8,774	32,941
Bank interest received		12,041	14,562
Net cash used in operating activities		**(159,846)**	**(174,049)**
Cash flows from financing activities			
Proceeds from issue of share capital	16	-	6,130,000
Share issue costs		-	(308,114)
Net cash generated from financing activities		**-**	**5,821,886**
Net increase in cash and cash equivalents		(159,846)	5,647,837
Cash and cash equivalents at beginning of the period		5,647,837	-
Cash and cash equivalents at the end of the period		**5,487,991**	**5,647,837**

The notes form part of these financial statements

Notes to the Financial Statements
For the year ended 31 August 2020

1. GENERAL INFORMATION

Summerway Capital plc is an investing company (for the purposes of the AIM Rules for Companies) and is incorporated in England and Wales and domiciled in the United Kingdom (company number: 11545912). It is a public limited company and the address of the registered office is 32-33 Cowcross Street, London EC1M 6DF. The Company is the parent company of Summerway Subco Limited (company number: 11565845). The activity of the Company is the investment, acquisition and subsequent development of companies across the software, SaaS and digital technologies and services sectors, where the Directors believe there are tangible opportunities to drive strategic, operational and performance improvement, either as a standalone entity or as a result of broader initiatives.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Pounds Sterling. All amounts, unless otherwise stated, have been rounded to the nearest Pound.

The preparation of financial statements in compliance with adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying those accounting policies. The areas where significant judgements and estimates have been made in preparing these financial statements and their effect are disclosed in Note 5.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

3. PRINCIPAL ACCOUNTING POLICIES

3.1 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The Company and Group applied standards, amendments and interpretations which are effective for annual periods commencing on or after 1 September 2019. There were no material effects of adopting these. There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early. The most significant of these are:

- Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform (applicable for accounting periods beginning on or after 1 January 2020)
- Amendments to IAS 1 and IAS 8: Definition of Material (applicable for accounting periods commencing on or after 1 January 2020)
- Amendments to References to the Conceptual Framework in IFRS Standards (applicable for accounting periods commencing on or after 1 January 2020)
- Amendments to IFRS3 'Business Combinations' (applicable for accounting periods commencing on or after 1 January 2020).

The Group does not currently expect any material impact of the above standards or any other standards issued by the IASB, but not yet effective.

3.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary undertakings). Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those of the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Summerway Subco Limited's accounting reference date is 30 September and so adjustments are made as necessary for inclusion in the consolidation.

3.3 GOING CONCERN

The Directors continue to take a prudent approach to cost management and seek to minimise expenditure ahead of consummating the Company's inaugural investment or acquisition. Following completion of the recently announced placing which occurred on 15 January 2021, the Company's unaudited cash balance as at 29 January 2021 was £7.1 million. As a result of this, the Directors are satisfied that the Company and Group have adequate resources to continue in business for at least twelve months from approval of these financial statements, particularly with regards to a contracted annualised cash expenditure for the Company, which is in the region of £0.5 million prior to completion of any investment or acquisition. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

3.4 SEGMENT REPORTING

The accounting policy for identifying segments is based on internal management reporting information which is reviewed by the chief operating decision maker. The Company and Group are considered to have a single business segment, being the identification and acquisition of companies or businesses.

3.5 FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into Sterling at the rates of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

3.6 TAXATION

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the statement of financial position date.

The tax currently payable is based on the taxable profit for the year. Taxable profit/(loss) differs from the net profit/(loss) reported in the statement of comprehensive income as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

3.7 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company and Group present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- held primarily for the purpose of trading; or
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle; or
- it is held primarily for the purpose of trading; or
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

The Company and Group classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.8 INVESTMENTS

Investments in subsidiaries are recorded at cost less any provision for permanent diminution in value.

3.9 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised in the Company's and Group's statement of financial position when the Company and Group becomes a party to the contractual provisions of the instrument. The Company's and Group's financial instruments comprise cash, trade and other receivables and trade and other payables.

Trade, group and other receivables

Trade receivables are initially measured at their transaction price. Group and other receivables are initially measured at fair value plus transaction costs.

Cash and cash equivalents

The Company and Group manage short-term liquidity through the holding of cash and highly liquid interest-bearing deposits. Only deposits that are readily convertible into cash with maturities of three months or less from inception, with no penalty of lost interest, are shown as cash and cash equivalents.

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both. The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort.

The Group does not currently have trade receivables. For group and other receivables, the measurement of impairment losses depends on whether the financial asset is 'performing', 'underperforming' or 'non-performing' based on the company's assessment of increases in the credit risk of the financial asset since its initial recognition and any events that have occurred before the year-end which have a detrimental impact on cash flows. The financial asset moves from 'performing' to 'underperforming' when the increase in credit risk since initial recognition becomes significant.

In assessing whether credit risk has increased significantly, the company compares the risk of default at the year-end with the risk of a default when the investment was originally recognised using reasonable and supportable past and forward-looking information that is available without undue cost.

The risk of a default occurring takes into consideration default events that are possible within 12 months of the year-end ("the 12-month expected credit losses") for 'performing' financial assets, and all possible default events over the expected life of those receivables ("the lifetime expected credit losses") for 'underperforming' financial assets.

Impairment losses and any subsequent reversals of impairment losses are adjusted against the carrying amount of the receivable and are recognised in profit or loss.

Financial liabilities and equity

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company and Group becomes a party to the contractual provisions of the instrument.

Trade, group and other payables

Trade, group and other payables are initially measured at fair value, net of direct transaction costs and subsequently measured at amortised cost.

Derecognition of financial assets (including write-offs) and financial liabilities

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party.

When there is no reasonable expectation of recovering a financial asset it is derecognised ('written off'). The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3.10 EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at fair value on initial recognition net of transaction costs.

Equity comprises the following:

- Called up share capital represents the nominal value of the equity shares;
- Share premium represents the excess over nominal value of the fair value of consideration received from the equity shares, net of expenses of the share issue;
- Capital redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a Company's own shares;
- Retained deficit represent accumulated net gains and losses from incorporation recognised in the Statement of Comprehensive Income

4. CAPITAL MANAGEMENT

The Company defines capital as the total equity of the Company. The objective of the Company's capital management is to ensure that it makes the maximum use of its capital to support its business and to maximise shareholder value. There are no external constraints on the Company's capital.

5. CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES

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

Valuation and classification of incentive share scheme

As described in the Remuneration Committee's Report on page 10 the Board implemented an incentive scheme during the financial year ended 31 August 2019 via the issue of 999,999 B shares of £0.01 in the subsidiary undertaking, to the Executive Directors of the Company at a price of £0.012 per share.

Critical judgements and accounting estimates have been exercised by management in respect of the incentive shares:

- in determining the classification of the incentive shares as a financial liability rather than equity in the statement of financial position, as the B shares issued in the subsidiary do not contain any voting rights and are not permitted to participate in any ordinary dividends declared by the Company;
- in presenting the financial liability as non-current in the statement of financial position as the valuation mechanism in the incentive share arrangement is measured over a three-year and five-year period; and
- in assessing the most appropriate valuation method to apply to estimate the fair value of the incentive share liability as at 31 August 2020. See Note 18 for further details.

6. SEGMENTAL REPORTING

For management purposes, the Company and Group are considered to have one single business segment, being the identification and acquisition of companies and businesses. The Group comprises Summerway Capital Plc and its subsidiary company Summerway SubCo Limited. The two companies do not transact with each other. Further segment information is therefore not presented in these financial statements.

7. ADMINISTRATION EXPENSES

	Year ended 31 August 2020 £	*Year ended 31 August 2019 £*
Group expenses by nature		
One-off costs related to the listing	-	39,340
Staff related costs	54,780	51,978
Office costs	21,890	35,660
NOMAD, registrar and Stock Exchange costs	46,391	38,834
Audit, accountancy & professional costs	50,997	31,993
Other expenses	12,494	8,077
	186,552	**205,882**

8. EMPLOYEES AND DIRECTORS

	Group and company 2020 £	*Group and company 2019 £*
Wages and salaries	54,000	49,500
Social security costs	-	-
Other pension costs	-	-
	54,000	**49,500**

The average monthly number of employees during the year, including the Directors, was 4.

Key management personnel

The Directors are currently considered to be the key management personnel of the Group. The total remuneration paid to Directors during the year was £54,000 (2019: £49,500). There were no pension contributions paid on behalf of the Directors. The breakdown of Individual Director's remuneration is shown in the Report of the Remuneration Committee on page 10.

9. FINANCE INCOME

	Group and company 2020 £	*Group and company 2019 £*
Finance income:		
Deposit account interest	12,041	14,562

10. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	2020 £	*2019 £*
Auditor's remuneration:		
Audit fees	19,200	19,200
Interim report fees	-	4,800
Reporting accountant fees	-	30,075
	19,200	**54,075**

11. INCOME TAX

The Group and Company has reported a loss of £174,511 (2019: £191,320). No revenue has been generated in the period and no significant differences exist between the tax charge of £Nil recognised in these financial statements and that calculated by applying the standard rate of United Kingdom corporation tax. No deferred tax asset is recognised on these losses as at 31 August 2020 due to uncertainty over the expected timing of future profits with which to offset the losses.

12. LOSS OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the Parent Company is not presented as part of these financial statements. The parent Company's loss for the financial year was £174,511 (2019: £191,320).

13. LOSS PER SHARE

Basic loss per ordinary share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Year ended 31 August 2020 £	*Year ended 31 August 2019 £*
Loss attributable to the owners of the Company	£ (174,511)	£ (191,320)
Weighted average number of ordinary shares in issue	6,130,000	5,313,781
Basic and diluted loss per share	(2.85)p	(3.60)p

14. INVESTMENTS

Principal subsidiary undertakings of the Group

The Company directly owns the ordinary share capital of its subsidiary undertakings as set out below:

The issued share capital of the subsidiary comprises 1 A ordinary share of £0.01 and 999,999 B ordinary shares of £0.012.

Subsidiary	*Nature of business*	*Country of incorporation*	*Proportion of A ordinary shares held by Company*	*Proportion of B ordinary shares held by Company*
Summerway Subco Limited	Incentive vehicle	England and Wales	100%	0%

As the Company's total investment holding in the subsidiary is £0.01 no investment value is presented in the statement of financial position.

The address of the registered office of Summerway Subco Limited (the "Subsidiary") is 32-33 Cowcross Street, London EC1M 6DF. The subsidiary was incorporated on 12 September 2018 and so prepares its own financial statements for the period ended 30 September each year. The subsidiary was dormant throughout the year to 30 September 2020 and it is therefore exempt from audit by virtue of s479A of Companies Act 2006.

The A ordinary shares have full voting rights, full rights to participate in a dividend and full rights to participate in a distribution of capital.

The B ordinary shares do not have voting rights. No dividends shall be declared in relation to any of the B ordinary shares without the consent of the Parent company. The B ordinary shares are not to be redeemed and are not liable to be redeemed.

The B ordinary shares have been issued to the Directors to facilitate the Subsidiary Incentive Scheme. Further details of the Subsidiary Incentive Scheme can be found on pages 42 and 43 of the Company's Placing and Admissions document published on 16 October 2018 and in Notes 5, 18 and 22.

15. OTHER RECEIVABLES – GROUP AND COMPANY

All receivables are current. There is no material difference between the book value and the fair value of receivables.

	As at 31 August 2020 £	*As at 31 August 2019 £*
Amounts falling due within one year		
Prepayments	9,180	10,027
Other receivables	599	5,643
	9,779	**15,670**

16. CALLED UP SHARE CAPITAL – COMPANY

	As at 31 August 2020 £	*As at 31 August 2019 £*
Issued		
6,130,000 ordinary shares of 1p each	61,300	61,300
	61,300	**61,300**

On incorporation on 31 August 2018 the issued share capital of the Company consisted of 50,000 ordinary shares of £1 each.

On 12 October 2018 each ordinary share of £1.00 each in the capital of the Company was sub-divided into 1 ordinary share of £0.01 each and 1 deferred share of £0.99 each.

On 19 October 2018 Alexander Anton and Benjamin Shaw each gifted 16,667 deferred shares of £0.99 each and Mark Farmiloe gifted 16,666 deferred shares of £0.99 each arising on the sub-division of the ordinary shares of £1.00 each referred to above held by him to the Company for cancellation and the Board resolved to cancel all such gifted deferred shares.

On 19 October 2018 6,080,000 ordinary of £0.01 each were issued pursuant to a placing at a price of £1 per share and together the existing ordinary 6,130,000 ordinary shares were admitted to trading on AIM.

17. TRADE AND OTHER PAYABLES – GROUP AND COMPANY

There is no material difference between the book value and the fair value of the trade and other payables.

	Group As at 31 August 2020 £	*Company As at 31 August 2020 £*	*Group As at 31 August 2019 £*	*Company As at 31 August 2019 £*
Trade payables	315	315	941	941
Accruals	28,800	28,800	19,200	19,200
Other tax and social security payables	600	600	800	800
Amounts owed to subsidiary undertakings	-	12,000	-	12,000
	29,715	**41,715**	**20,941**	**32,941**

18. NON-CURRENT LIABILITIES – GROUP

	As at 31 August 2020 £	*As at 31 August 2019* £
Incentive shares	12,000	12,000
	12,000	**12,000**

The incentive shares liability is estimated at fair value through profit and loss using level 3 fair value measurement techniques.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The B shares issued by the subsidiary under the incentive scheme were deemed to have an implied aggregate subscription price of £12,000, based on the nominal value per B share plus a premium. The initial subscription price of the incentive shares remains the best estimate of the fair value of the liability associated with the incentive shares as none of the criteria for potential value creation have been met as at 31 August 2020. The fair value of the liability is assessed at each reporting date with any changes accounted for as a fair value gain or loss and recognised directly in the statement of comprehensive income. Refer to Notes 5 and 22 for further details of the terms of the incentive scheme.

19. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS – GROUP AND COMPANY

Carrying amount of financial assets

The carrying amounts of financial assets by category were:

	Group As at 31 August 2020 £	*Company As at 31 August 2020* £	*Group As at 31 August 2019* £	*Company As at 31 August 2019* £
Financial assets measured at amortised cost:				
- Cash and cash equivalents	5,487,991	5,487,991	5,647,837	5,647,837
- Other receivables	599	599	5,643	5,643
	5,488,590	**5,488,590**	**5,653,480**	**5,653,480**

Carrying amount of financial liabilities

The carrying amounts of financial liabilities by category were:

	Group As at 31 August 2020 £	*Company As at 31 August 2020 £*	*Group As at 31 August 2019 £*	*Company As at 31 August 2019 £*
Financial liabilities measured at amortised cost:				
- Trade and other payables	29,115	29,115	20,141	20,141
- Amounts owed to subsidiary undertakings	-	12,000	-	12,000
Financial liabilities measured at fair value through profit and loss:				
- Incentive shares liability	12,000	-	12,000	-
	41,115	**41,115**	**32,141**	**32,141**

The carrying amounts of financial assets and financial liabilities reasonably approximate to fair value.

Risks arising from financial instruments

Credit risk

The risk that counterparties will fail to settle amounts due to the company predominantly arises from cash and cash equivalents. Credit risk on cash and cash equivalents is limited by depositing funds with banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group closely monitors its cash position to ensure that it has sufficient funds to meet the obligations of the Group as they fall due.

20. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, or the parties are under common control or influence, in making financial or operational decisions.

Under the terms of their respective service agreements, the Executive Directors were each paid a salary of £1,000 per calendar month, in each case payable monthly in arrears. The Non-Executive Director is paid a monthly fee of £1,500 per calendar month.

As set out on page 13 the Directors and their connected persons held a total of 1,650,000 ordinary shares in the Company, representing 26.9 per cent of the issued share capital of the Company as at 31 August 2020.

On 17 September 2018 the Executive Directors subscribed for, in aggregate, 999,999 B Shares in the subsidiary, Summerway Subco Limited pursuant to the Subsidiary Incentive Scheme.

Alexander Anton and Mark Farmiloe are members of VirginiaCo LLP.

Benjamin Shaw is a member of Romana Capital LLP and Sealark LLP.

VirginiaCo LLP and Romana Capital LLP are members of AFS Advisors LLP (“AFS”).

The Company is party to a corporate advisory agreement dated 12 October 2018 with AFS.

Pursuant to that agreement, AFS has agreed to provide strategic and general business advice to the Company, including identifying potential investment opportunities and acquisition targets and making recommendations to the Board in respect of the acquisition and disposition of the same.

AFS will receive a transaction fee equal to 1 per cent. of the gross transaction value of any acquisition or investment undertaken by the Company during the term of the agreement or after termination of the agreement to the extent the Company completes a transaction in relation to which AFS had provided any services prior to the date notice to terminate was deemed to have been received by AFS. In addition, from legal completion of the first acquisition or investment undertaken by the Company, the Company will pay

AFS a monthly retainer of £15,000. As at 31 August 2020 no charges have been incurred under the agreement as the legal of completion of the first acquisition has not happened.

Under the corporate advisory agreement, AFS agrees that it shall not (and shall procure that each associate of AFS shall not) introduce to any person other than the Company any acquisition of or investment in any company or business that would fall within the scope of the Investment Policy without offering the Company a right of first refusal in respect of the same (if applicable) or obtaining the prior written consent of the Company.

The appointment is for an initial term of eighteen months or such longer period as the Company is an investing company for the purposes of the AIM Rules for Companies. Thereafter the agreement shall be renewed automatically for successive periods of 12 months unless a party gives notice to the other party in writing that it wishes to terminate the agreement at least three months before the relevant renewal date.

Either party may terminate the agreement (without prejudice to any right of action accruing or already accrued to it) without penalty by notice in writing, *inter alia*, if the other party commits: (i) an act of fraud or negligence; (ii) or a material breach of the terms of the agreement, which has not been rectified within 60 business days of being requested in writing to do so (if such breach is capable of rectification).

The Company may also terminate the agreement if there is a change of control of AFS without the prior written consent of the Company.

The agreement shall terminate automatically if either party to the agreement: (i) enters into liquidation (except on terms previously approved in writing by the other party) or has a receiver appointed over that party or its assets; (ii) if an effective resolution is passed for the winding up of any party (other than for the purposes of a solvent reconstruction or amalgamation previously approved in writing by the other party); or (iii) if any party becomes insolvent or stops or threatens to stop carrying on business or payment of its material proven debts or make any arrangement with creditors generally.

The Company has given an indemnity in favour of AFS in respect of AFS' potential losses in carrying on its responsibilities under the agreement. The Agreement is governed by and construed in accordance with the laws of England.

The Company had desk rental agreement with Romana Capital LLP under which the Company paid £21,750 (2019: Romana Capital LLP and Sealark LLP £39,120) during the year.

The Company engaged Fraser Real Estate, a company in which Alexander Anton is an indirect shareholder, to provide administrative and accounting services throughout the period. The Company paid Fraser Real Estate £7,200 (2019: £7,993) during the period for the provision of these services.

The Company's Admission Document dated 19 October 2018 sets out in detail the other related party transactions. There have been no material changes to these arrangements and transactions since the Admission Document was published.

21. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 31 August 2020 that require disclosure or adjustment in these financial statements.

22. POST BALANCE SHEET EVENTS

Amendment to Company investing policy and directorate changes

On 15 January 2021, the Company announced that following a unanimous vote from is Shareholders at the General Meeting held on the same date, the Company's investing policy was changed to a focus on investment and acquisition opportunities across the software, SaaS and digital technologies and services sectors. In conjunction with the change in strategy, a number of directorate changes occurred, including the appointment of Vin Murria OBE as Chairman of the Company, and Paul Gibson and Tony Morris as Non-Executive Directors, as well as the resignations of Alexander Anton and Mark Farmiloe.

Following these directorate changes, the current Board of Directors for the Company is set out below.

Vin Murria OBE – Chairman (appointed 15 January 2021)

Paul Gibson – Non-Executive Director (appointed 15 January 2021)

Tony Morris – Non-Executive Director (appointed 15 January 2021)

Benjamin Shaw – Non-Executive Director

David Firth – Independent Non-Executive Director

Placing and issue of equity, and issue of warrants

On 15 January 2021, the Company raised gross proceeds of £1,675,000 through the issuance of 1,903,409 new ordinary shares of the Company to Vin Murria at a placing price of 88 pence per share. At the same time, the Company issued Vin Murria with 3,246,062 warrants which provides for a right to subscribe for an addition 3,246,062 additional new ordinary shares of the Company at an exercise price of 88 pence per share. The warrants may be exercised in whole or in part during an exercise period commencing on the date of issue of the warrants and terminating 18 months after the date of issue. Vin Murria also purchased 500,000 existing Ordinary Shares at 85 pence per share from a selling shareholder on 15 January 2021.

Share capital and Directors' holdings

Following completion of the placing and the issuance of 1,903,409 new ordinary shares, the Company's total issued share capital is 8,033,409 ordinary shares of 1p each.

As at 22 January 2021, the Directors and their connected persons hold a total of 2,903,409 ordinary shares in the Company, representing 36.1% of the Company's total issued share capital.

Amendments to Subsidiary Incentive Schemes

On 15 January 2021, the Company made certain adjustments to the Subsidiary Incentive Scheme in order to recognise the proposed change in strategic direction of the Company and the expectation that the incoming team and others will be instrumental in leading the execution of this revised strategy, and in turn, the anticipated creation of Shareholder Value.

A summary of the key amendments compared to the original Subsidiary Incentive Scheme are set out in the following table.

Item	**Previous Subsidiary Incentive Scheme**	**Amended Subsidiary Incentive Scheme**
Percentage of Shareholder Value available to Scheme Participants (pre acquisition of, or investment in operating company)	10 per cent.	Up to 20 per cent.
Target compound annual growth rate hurdle	13.5 per cent.	7.5 per cent.
Commencement date	On Admission	15 January 2021
Initial Value	Market capitalisation on Admission	Unchanged
Vesting period	Three- to five-year period or upon a change of control of the Company or the Subsidiary	Unchanged
Scheme Participants, respective B Share holdings and current aggregate Shareholder Value participation	Alexander Anton – 333,333 Benjamin Shaw – 333,333 Mark Farmiloe – 333,333	Alexander Anton – 75,000 Benjamin Shaw – 75,000 Mark Farmiloe – 75,000 Tony Morris – 175,000 Vin Murria – 1,000,000 Paul Gibson – 50,000 Aggregated – 1,450,000

Under the Subsidiary Incentive Scheme, participants are only rewarded if a predetermined level of Shareholder value is created over a three-year period, a five-year period, or upon a change of control of the Company (whichever occurs first), which is calculated by reference to the growth in market capitalisation of the Company, following adjustments for the issue of any new Ordinary Shares and taking into account dividends and capital returns.

From 15 January 2021, participants will now be entitled to up to 20 per cent. of the shareholder value created, subject to such shareholder value having increased by 7.5 per cent. per annum compounded over a period of between three and five years from 15 January 2021 or following a change of control of the Company or the Subsidiary.

Related Party Disclosures

In conjunction with the corporate events announced on the 15 January 2021, the Company at the same time entered into, amended and terminated a number of related party arrangements. These are set out below.

Service agreements

Under the terms of the Chairman and Non-Executive Director service agreements, the Chairman and the Non-Executives are each paid a monthly fee of £1,500 per calendar month in arrears.

Subsidiary Incentive Scheme

Under the amendments to the Subsidiary Incentive Scheme, the Founder Director's B shares were subject to a buyback by the Company at their original subscription price of £0.012 per B share for a total consideration of £4,000 per Founder Director (£12,000 in aggregate).

Following this buyback, the articles of Summerway Subco Limited were amended in order to implement the proposed changes to the Subsidiary Incentive Scheme as described in this Note 22. The Founder Directors, the Chairman and the two Non-Executive Directors subscribed for newly issued B shares at a revised subscription price of £0.014 per B share. The current allocations of B shares in issue are set out below.

Name	*B Shares held*
Alexander Anton	75,000
Benjamin Shaw	75,000
Mark Farmiloe	75,000
Tony Morris	175,000
Vin Murria	1,000,000
Paul Gibson	50,000

Corporate advisory agreements

The Corporate Advisory Agreement entered into between the Company and AFS Advisors LLP (an entity wholly-owned by Alexander Anton, Benjamin Shaw and Mark Farmiloe) has been terminated at nil cost to the Company.

The Company has entered in a new agreement with Tessera Investment Management Limited ("Tessera") pursuant to which Tessera has agreed to provide strategic and general corporate advice, and M&A and capital raising transaction support services to the Company (the "Tessera Corporate Advisory Agreement"). Tessera will charge £12,500 per month (plus VAT) payable monthly in arrears from the date of the agreement. In order to align the parties' collective interests and ensure the parties share in the risk and reward of certain successful transactions, a discretionary bonus may be awarded to Tessera by the Board in the event of the successful completion of certain transactions. Tony Morris, Non-Executive Director of the Company, is a director and shareholder of Tessera.

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