Company Number: 02956279

ANNUAL REPORT AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

FOR

TWO SHIELDS INVESTMENTS PLC

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FOR THE YEAR ENDED 31 MARCH 2019

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019

DIRECTORS:	S Barblett A Lawley J Taylor
COMPANY SECRETARY:	N West
REGISTERED OFFICE:	Hyde Park House 5 Manfred Road London SW15 2RS
REGISTERED NUMBER:	02956279 (England and Wales)
INDEPENDENT AUDITOR:	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
BANKER:	Barclays Bank Plc 1 Churchill Place London E14 5HP
NOMINATED ADVISER:	Spark Advisory Partners Limited 5 St John’s Lane London EC1M 4BH
REGISTRAR:	Link Asset Services Northern House, Woodsome Park Fenay Bridge, Huddersfield West Yorkshire HD8 0LA
BROKER:	Turner Pope Limited 8 Frederick’s Place London EC2R 8AB

2018/19 has been a year of transformation for Two Shields Investments plc ("TSI" or "the Company"), laying the foundations to rebuild shareholder value. This included the change of name to Two Shields Investments plc in April 2018 and the transition of its portfolio of assets to reflect the Company's strategic direction.

Strategy

A new and experienced senior team has been assembled in line with the Company's updated strategy. The team will seek to apply its extensive and highly complementary expertise and knowledge to identifying, assessing and executing investment opportunities that have the potential to deliver attractive returns to shareholders.

The Company has undertaken a strategic review of its mining assets and explored the options available to realise those investments as liquidity options emerge. These options may include partnering with operators that the Board feels can extract more optimal value from existing holdings. The Board believes there are currently limited opportunities within the mining sector delivering the level of growth that it is currently seeking to achieve from its investments and therefore, in the short term, the Company is unlikely to complete a cash investment in mining exploration activities.

The Board sees considerable value opportunity in focusing on the existing high growth investments within the portfolio and will seek to increase the Company's exposure to existing investments in BrandShield Limited, an anti-counterfeiting, anti-phishing and online brand protection solution, and WeShop Limited, an innovative social commerce platform offering a new way to shop online and earn rewards.

Where resources allow, the Board will also seek to expand the portfolio, concentrating on the provision of capital to high growth potential digital assets, financial technologies, services, consumer focused businesses and technology enabled businesses. Target businesses will typically have proven customer demand and differentiated proprietary technology. Such businesses will have a clear path to profitability. The TSI Board will take an active role in advising such portfolio companies on growth and on exit or liquidity opportunities.

Board

The appointment of myself and John Taylor to the Board during the year has significantly strengthened the management team of TSI.

John Taylor joined the Board on 1 March 2019 and brings AIM board experience to TSI especially in technology companies. He is a former director of AIM-quoted Bidstack Group plc and currently a director of Sabien Technology Group plc and Pathfinder Minerals plc.

I was appointed to the Board on 20 December 2018 and am a qualified accountant, with extensive experience in both the corporate and private equity sectors with a specialisation in M&A. I have previously held senior operating positions at companies including Dixons Carphone plc, RBS Equity Finance and RBS Debt Ventures.

Together with Sandy Barblett, also serving as a Non-executive Director who has considerable experience in the technology sector, having held leadership positions within former FTSE 250 company Pace Plc, I believe that we now have a team of highly experienced and knowledgeable individuals who will be able to successfully execute our new strategy.

WeShop Ltd

WeShop is an innovative, digital social network platform focused on the rapidly growing and highly valuable social e-commerce sector forecast to become a US$350 billion market over the mid-term. WeShop's digital platform enhances online shopping experiences by combining social media's assets of reviews, likes, and shares with an engaging retail e-commerce offering, specifically tailored to the individual user. Users benefit from gaining access to thousands of brands and millions of products on one platform plus a two-way sharing of ideas with friends to participate in a rewards system; brands/retailers benefit from increased sales and awareness.

Led by highly experienced and proven technology and retail professionals James Sowerby, who previously led Global New Business Development at Avon Cosmetics, the oldest and one of the most successful global social selling networks, and non-executive Chairman, Matthew Hammond who is Group Managing Director and CFO of mail.ru, one of the largest internet companies in the Russian speaking market.

WeShop recently delivered an investor update and the Board feels it is in the interests of TSI shareholders to continue to support this exciting business as it approaches what we believe will be a highly expansive period.

WeShop has also launched phase 1 of its new rewards programme, designed to drive ongoing engagement and retention of users by enabling them to earn WeCoins™ for creation and distribution of quality content, shopping through WeShop verified merchants, and browsing. The WeCoins™ can be redeemed with over 100+ redemption partners, including Uber, Spotify, Just Eat, Amazon, Starbucks and many others. Phase 1 allows users to redeem their WeCoins™ for a digital voucher. Phase 2 will allow users to redeem their live WeCoin™ balance against products on WeShop, in combination with cash. This creates a true ecosystem where WeCoins™ are earned and redeemed within the platform.

During the period, TSI invested a total of £350,000 into WeShop. Post year end the Company invested a further £100,000 and completed a share swap for a total consideration of £1,355,468. The Board will look to increase its exposure into WeShop in the near future as the opportunity arises. TSI now has a 6.7% shareholding.

BrandShield Ltd

Post year end, on 25 July 2019, TSI announced that BrandShield had upgraded its product offering to position itself clearly in the cyber security and threat intelligence industry in addition to the brand protection space. Therefore, it provides "A Solution from Brand Protection to Online Threat Hunting".

BrandShield continues adding more capabilities across all platforms - websites, marketplaces, social media, paid ads and apps. BrandShield's improved product offering includes capabilities such as strong reporting creation options and constant expansion of monitoring capabilities to new marketplaces and to new social media platforms.

BrandShield covers all of the major marketplaces as well as hundreds of smaller marketplaces and covers social media platforms including the latest addition of WeChat (the Chinese social and IM network). WeChat is a multi-purpose messaging, social media and mobile payment app first released in 2011. WeChat is one of the world's largest standalone mobile apps with over 1 billion monthly active users and has been described as China's "app for everything" and a "super app" because of its wide range of functions. BrandShield continues to win customers from a variety of sectors including the financial industry, pharmaceuticals, online, sports, entertainment and more.

In March 2019, the Company hosted an investor relations roadshow in London for BrandShield and introduced the BrandShield CEO to a large number of existing and new investors on the scale of the opportunity within this portfolio investment. The BrandShield CEO also met with a number of corporate advisors with a view to assessing future options given BrandShield's high growth trajectory. The Board will continue to advise BrandShield closely on its strategic growth plan.

As announced on 4 March 2019, the Company completed its post year end investment of $300,000 in a convertible loan note in BrandShield. In addition, on 24 April 2019 TSI completed a Share Swap and as a result, TSI holds 11.34% of the issued share capital of BrandShield.

Other Investments

Xantus Inc and Nashan Holdings – At the year end TSI held a 40% interest in Xantus Inc and a 30% interest in Nashwan Holdings Ltd, both holding exploration licences in southern Mali, which has high potential for lithium pegmatite deposits. On 27 August 2019, TSI announced that binding heads of agreement ("Heads of Agreement") have been signed with Leopard Lithium Pty Ltd ("Leopard Lithium"), an Australia registered private company, to sell TSI's interests in Nashwan Holdings Ltd ("Nashwan") and Mansa Lithium Inc ("Mansa"). The two binding Heads of Agreement set out the terms upon which Leopard Lithium agrees to acquire 100% of the issued shares in both Nashwan and Mansa. In addition, the Directors prudently decided to revise the carried value of the assets proportionately downward to reflect the effective dilution to Leopard Lithium and therefore have reduced the carrying value of the Mali based lithium assets to £1,140,000 in total from £1,512,000.

Kalahari Key Mineral Exploration Company (Pty) Ltd - is a special purpose company set up by an experienced team of explorers to search for base metals and platinum group metals in Botswana. TSI has 17.8% of the shares in Kalahari Key.

International Geoscience Services Limited - is a global consulting group which was spun out of the British Geological Survey, the world's oldest national geological survey, founded in 1835. TSI holds 29.9% of the shares in IGS.

Power Metals Resources plc (POW) - is an AIM quoted, Africa focused, resource company exploring for the key metals used in next generation batteries that fuel the new electric vehicle revolution. Led by a management team with a proven track record in mineral exploration and development, POW has a rapid development strategy in place to become a significant explorer, developer and ultimately producer of battery metals. TSI has a 4.13%interest in POW.

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

Financials

The loss for the Company for the twelve months ended 31 March 2019 was £2,553,673 (2018: loss of £768,851) was in line with expectations. Cash held by the Company as at 31 March 2019 was £561,636 (2018: £512,507).

Outlook

Following the completion of our strategic review, we continue to implement our strategy of focusing on rapidly growing, disruptive markets including social e-commerce and cyber security. With the changes made throughout the Company in 2018, the Board believes that TSI is now in a position to capitalise on the carefully laid foundations and execute on its investment strategy to recreate value for shareholders. As well as thanking our supportive shareholder base, I would like to express my gratitude to our investee companies and look forward to updating shareholders as our investments develop.

Andrew Lawley - Chairman

30 August 2019

The Directors present their Strategic Report of Two Shields Investments plc ("the Company" or "TSI") for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was to establish strategic and portfolio investments in listed and unlisted entities, the ongoing focus is in high growth potential digital assets, financial technologies, services, consumer focused businesses and technology enabled businesses, as well as monitoring historic projects in the natural resource sector with a medium term aim of liquidating these natural resource assets or partnering with experts to exploit the assets further.

REVIEW OF BUSINESS

The Company has continued its principal activity with investments made during the year, as detailed in the Chairman's Statement on pages 2 to 5.

FINANCIAL REVIEW

The loss for this year before and after taxation was £2,553,673 (2018: loss of £768,851).

Cash and cash equivalents at the end of March 2019 was £561,636 (2018: £512,507).

KEY PERFORMANCE INDICATORS ("KPIs")

The main KPI's for the Company are set out below. These allow the Company to monitor costs and plan future investment decisions:

	2019	2018
	£	£
Cash and cash equivalents	561,636	512,507
Revenue	262	2,596
Short term financial assets at fair value through profit & loss at the period end	73,411	176,691
Other losses - net	(1,915,054)	(26,969)

Other losses relate to both realised and unrealised losses on the sale and revaluation of the assets at fair value through profit or loss. More detail of these movements can be found in notes 12 and 13.

Revenue (being dividend income from investments) is included as a KPI as this is expected to be a significant indicator of investment success as the portfolio develops.

Investment Portfolio performance

Details of the performance of the Company's investment portfolio can be found in the Chairman's Statement on pages 2 to 4.

PRINCIPAL RISK AND UNCERTAINTY

The principal risks and uncertainties lie in the investments the Company holds. The nature of the natural resource and technology sectors means that returns are uncertain as resources may be unviable to extract or the technology may not be usable or made redundant prior to commercialisation. The Company has an investment strategy in place which is continually reviewed by the Board.

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Company. The key risks identified by the Board include

Management and reliance on key personnel
The Company is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Company depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Company grows could have an adverse effect on future business and financial conditions.

Nevertheless, through programmes of incentivising staff, appropriate succession planning, and good management these risks can be largely mitigated.

Financial Risk Management
The Company's operations expose it to a variety of financial risks that include the effect of changes in foreign currency exchange rates, funding risk, credit risk, market risk/ commodity volatility, liquidity risk and interest rate risk. The Company has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Company. The Company does not use derivative financial instruments to manage foreign currency risk and, as such, no hedge accounting is applied. Details of the Company's financial risk management policies are set out in note 2 to the Financial Statements.

Regulatory Adherence
In order to ensure that there is no breach of rules by investee companies, the Company has instilled a strong compliance regime and appropriate due diligence is carried out on all potential investee companies. All investee companies are formally notified of the Company's regulatory obligations and must confirm adherence and understanding.

POLITICAL AND COUNTRY RISK- EU REFERENDUM

The Company is quoted in the United Kingdom (UK) and operates in the UK and European Union (EU). As a result of the Referendum, the Company may be subject to the impact of the UK leaving the European Union. As a result, given the ongoing uncertainty surrounding the situation the Company is monitoring matters and seeking advice as to how to mitigate the risks arising.

Several of the Company's investments are in jurisdictions outside of the United Kingdom and accordingly there are political and commercial risks locally. Whilst the Company will make every effort to ensure it has robust commercial agreements covering its investments, there is a risk that the investment performance will be adversely affected by economic and political factors.

Going concern

The financial statements have been prepared under the going concern assumption. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

As referred to in note 15 of these Financial Statements, the Company raised gross proceeds of £500,000 by way of a share placing and issue of shares on 8 March 2019. These funds complement the Company's existing cash resources and have been used in part to fund further investment opportunities (see note 21). Where required, the Directors will limit expenditure on investments to ensure adequate resources remain available for the day to day running of the business. As is common for an early stage investment business it is unusual to receive material cash distributions from investee businesses where any surplus cash is usually reinvested in growth. Therefore, it is considered part of the normal course of business to access further funding from time to time to fund ongoing operations.

The Company expects to raise further funds during the next twelve months through the issue of new equity or equity like instruments and through the exercise of outstanding warrants expiring within twelve months. The Directors are confident that this funding will continue and consider that the Company will have access to adequate resources, to meet operational requirements for at least 12 months from the date of approval of these financial statements.

On this basis, the Directors have formed a judgement, at the time of approving the Financial Statements, that there is a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the Financial Statements.

INVESTING POLICY

Two Shields Investments plc has adopted a strategy to build a high quality portfolio of investments in fast growing and scalable digital and technology enabled businesses. It will also explore the options available to realise its commodity based investments as liquidity options emerge. This may include partnering with operators that the Board feels can extract more optimal value from the existing holdings. In order to create value for Shareholders, the Company will consider investment opportunities worldwide. Investments may be either quoted or unquoted entities; may be made by direct acquisitions and may be in companies, partnerships, joint ventures or direct or indirect interests in assets or projects. It is anticipated that the Company will not take majority interests in such companies and the Company does not intend to limit the total number of investments that it will hold at any one time. The Company intends to be a medium to long-term investor but will not rule out the acquisition and disposal of assets in the short term if the Directors determine this to be in the best interests of the Shareholders.

The Company will seek to identify and appraise investment targets which the Directors believe to be undervalued, underdeveloped or underperforming or which the Directors believe will have the potential to develop new and/or disruptive technology. Where appropriate, the Company will seek to appoint non-executive directors to the boards of investee companies to assist with their development. Depending on the nature of the Company's individual investments, the Company may be both a passive or an active investor. The Company intends to deliver shareholder returns principally through capital growth rather than distributions via dividends.

The Company will continue to seek to mitigate its risk by undertaking appropriate due diligence and transaction analysis which will include appropriately qualified advisers, when required. The Board proposes to carry out a comprehensive and thorough project review process in which all material aspects of a potential project or business will be subject to rigorous due diligence, as appropriate. The Company will not have a separate investment manager.

The Board considers that as investments are made, and new, promising investment opportunities arise, further funding of the Company may also be required. Therefore, in due course it is the intention of the Directors to expand the capital base of the Company to enable a more active pursuit of this policy, most likely through a placing of shares. Where the Board considers that it is in the best interests of shareholders, the Company may seek to acquire assets using its own share capital as consideration, thereby helping to preserve the Company's cash resources for working capital, and as a reserve against unforeseen contingencies. The Company will also be permitted to borrow to fund part of the cost of investments made. Where the Company builds a portfolio of related assets it is possible that there may be cross-holdings between such assets.

CORPORATE GOVERNANCE

Introduction:

The Board of Directors of the Company recognises the importance of sound corporate governance and applies The Quoted Company Alliance Corporate Governance Code for Small and Medium size Companies (2018) (the 'QCA Code'), which they believe is the most appropriate recognised governance code for a company of TSI's size and with shares admitted to trading on the AIM market of the London Stock Exchange. The Directors believe that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all its stakeholders.

The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business. These principles are:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the board as a well-functioning balanced team led by the Chair;
6. Ensure that between them the Directors have the necessary up to date experience, skills and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviours;
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board; and
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Here follows a short explanation of how the Company applies each of the principles:

Principle One
Business Model and Strategy
The Board has concluded that the highest medium and long-term value can be delivered through the adoption of a single strategy. The Company's principal activity is to establish and grow a strategic portfolio of investments in listed and unlisted entities in fast-growing disruptive markets with a focus in high growth potential digital assets, financial technologies, services, consumer focused businesses and technology enabled businesses as well as monitoring historic projects in the natural resource sector. The Investing Policy is set out in more detail at https://twoshields.co.uk/investors/aim-rule-26.

TSI has a minority interest in BrandShield, a cutting-edge threat intelligence company that provides a solution from brand protection to online threat hunting, as well as a minority stake in WeShop Limited which is a digital social network platform focused on the fast-growing and highly valuable e-commerce sector. The Company will continue to seek out further complementary acquisitions that create enhanced value. TSI also has interests in projects in recognised mineral rich jurisdictions that are highly prospective for battery metals, including lithium and cobalt, two metals that are in high demand thanks to the critical roles they play in battery technology.

Principle Two
Understanding Shareholder Needs and Expectations
The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its website, www.twoshields.co.uk, and via Andrew Lawley, Non-Executive Chairman who is responsible for shareholder liaison and available to answer investor relations enquiries.

At the last General Meeting in June 2019, the Board sought authority from shareholders to issue new Ordinary Shares up to a further aggregate nominal value of £3,750,000 on a non-pre-emptive basis. The Directors are aware that this is not in line with the 5% recommended by the Pre-Emption Group's Statement of Principles as updated in 2015. However, the Directors note that a higher limit of up to 50% of the aggregate nominal amount is not unusual for AIM quoted companies and the Directors believe that this level of authority is appropriate in order to allow the Company flexibility to move quickly in order to finance business opportunities which may arise. At the forthcoming AGM, the Company will seek approval from shareholders to issue new Ordinary Shares up to a further aggregate nominal value of £1,500,000 on a non-pre-emptive basis.

The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored and that approvals sought at the Company's AGM are as much as possible within the recommended guidelines of the QCA Code.

Non-deal roadshows are arranged throughout the year to meet with existing shareholders and potential new stakeholders to maintain, as much as possible, transparency and dialogue with the market. Additionally, Investor presentations can be found on the Company's website.

Principle Three

Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Company is reliant upon open communication with its internal and external stakeholders: investee companies, shareholders, contractors, suppliers, regulators and other stakeholders. The Company has close ongoing relationships with a broad range of its stakeholders and provides them via regular contact with the opportunity to raise issues and provide feedback to the Company. The Board regularly reviews and assesses its key resources and relationships and has established processes and systems to ensure that there is close oversight and contact with its investee companies and key stakeholders.

Principle Four

Risk Management

The Board is responsible for ensuring that procedures are in place and being implemented effectively to identify, evaluate and manage the significant risks faced by the Company, noting that the Company is an investment company. The risk assessment matrix below sets out the significant risk categories identified by the Board, the potential impact of the Company's investments, and the controls that are in place to mitigate them. This matrix is reviewed and updated at regular intervals as changes arise in the nature of risks or the controls that are implemented to mitigate them.

The following principal risks, and controls to mitigate them, have been identified:

Activity	Risk	Impact	Control(s)
Management	Recruitment and retention of key staff and sector with knowledge/experience in the sectors in which the Company seeks to implement its investing policy	Inability to execute business strategy, or assess suitability of investment propositions	Balancing salary with longer term incentive plans in line with market rates for the sector
Regulatory adherence	Breach of rules by investee companies	Loss of metals exploration or other licenses; Fines and penalties	Strong compliance regime instilled at all levels of the Company. Appropriate due diligence on investments
	Lack of disclosure by investee companies to allow Company to fulfil AIM and other regulatory obligations	Breach of continuous disclosure requirements - fines and sanctions from regulators	All investee companies are formally notified of the Company's obligations and must confirm adherence and understanding, and have mechanisms in place to allow timely disclosure

Investment	Metal resources being unviable to extract	Non-delivery of business strategy	Recruiting and partnering with sector experts to ensure the best possible outcome with respect to exploration of metals
	Technology not being adopted by the marketplace in time frame envisaged by the Company or at all	Inability to continue as going concern	Monitoring trends in blockchain, cybersecurity, e-commerce & financial technology
	The performance of investments does not live up to expectations	Write off or reduction in the value of investments, which if replicated through the portfolio would mean the Company could lose shareholder value	The Company will continue to seek to mitigate its risk by undertaking appropriate due diligence and transaction analysis which will include using appropriately qualified advisers, when required.
Economic	Volatility of metals prices	Metals extraction becoming economically unviable in the investment companies	Regular monitoring of commodity prices to ensure medium and long-term demand and supply conditions for the metals included in the Company's investment portfolio remain favourable
Financial	Funding	Inability to continue as a going concern	Robust capital management policies and procedures including continuous monitoring and control of cash resources.
	Inadequate internal controls and accounting policies	Inability to manage cash efficiently Incorrect reporting of assets and liabilities	Appropriate authority and investment levels as set by the Board
	Portfolio concentration risk	Failure of one or two investments having a disproportionate effect on the Company	Investing policy in place to limit maximum exposure to any one investment

An internal audit function is not considered necessary or practical due to the size of the Company and the close control exercised by the Board as a whole. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Company Financial and other Advisors and has established appropriate reporting and control mechanisms to ensure the effectiveness of its internal control systems.

Principle Five

A Well Functioning Board of Directors

The Board comprises the Non-Executive Chairman Andrew Lawley, and two Non-Executive Directors, Sandy Barblett and John Taylor. Biographical details of the current Directors are set out within Principle Six below. All Directors are subject to re-election in accordance with both the requirements of the UK Companies Act and the Company's articles of association ("Articles"). The Company's Articles state that Directors are subject to re-election at intervals of no more than three years. The letters of appointment for all Directors stipulate the time commitment that each Director is expected to provide to the Company. The Board Chairman serves as chair of every meeting of the Board of Directors.

The Board meets at least 6 times per year. It has established an Audit Committee and a Remuneration Committee, the members of both are included in Principle Six below. Messrs Barblett and Taylor are considered to be Independent Directors and as such the Company is in compliance with the requirement to have a minimum of two independent non-executive directors on its Board.

The Board notes that the expectation of the QCA Code is that the Chairman will not have an executive capacity and that the role of the Chairman and Chief Executive Officer ("CEO") are not held by the same person. The Company does not have a CEO as, given that the Company is an investment company with no day to day operations, a CEO is not required. The Chairman fulfils the duties involved in investor relations and fundraising, and in conjunction with the two independent non-executive directors, the Board collectively executes the Company's investment strategy.

The Board shall review further appointments, including the requirement for a full time CEO as scale and complexity of its investments grows.

Attendance at Board and Committee Meetings

The Company reports annually in the Directors' Report on the number of Board and committee meetings held during the year and the attendance record of individual Directors. To date in the current financial year the Directors have a 100% record of attendance at such meetings. Directors meet formally and informally both in person and by telephone. To date there have been at least bi-monthly meetings of the Board, and the volume and frequency of such meetings is expected to continue at this rate.

Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of three Directors and, in addition, the Company has employed the outsourced services of Natalie West to act as the Company Secretary. The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of commercial and professional skills across geographies and industries and each of the Directors has experience in public markets.

The Board recognises that it currently has a limited diversity and does not have a CEO or Finance Director and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required. Biographies of the Board are as included below.

Mr Andrew Lawley
Non-Executive Chairman
Mr Lawley is a qualified accountant with extensive experience in both the corporate and private equity sectors with a specialism in M&A. He has previously held senior operating positions at companies including Dixons Carphone plc, RBS Equity Finance and RBS Debt Ventures. At Dixons Carphone plc, Andrew held the position of Group Strategy Director, and led the plan for delivery of over £80m of synergies for the business. Andrew has a strong track record of working closely with management teams to support significant business transformation.

Mr Lawley is also a member of the Company's Audit Committee.

Mr Sandy Barblett
Independent Non-Executive Director
Mr Barblett has over 20 years' experience working with private and public listed international companies. He is a partner at Ironbridge Capital Partners who specialise in backing and advising growth companies. Additionally, he has previously held leadership roles within the technology sector, most notably with former FTSE 250 company Pace Plc. Mr Barblett's knowledge and network within both the technology and natural resources sector is highly complementary to TSI's current investment portfolio.

Mr Barblett serves as Chairman of the Company's Audit Committee and is a member of the Company's Remuneration Committee.

Mr John Taylor
Independent Non-Executive Director
Mr Taylor currently works with a group who assist small cap technology stocks with their development. Prior to that he spent eighteen months working in private equity backed portfolio companies, driving operational turnaround initiatives and implementing cost systems. He spent over 20 years in the Army Air Corps, leaving in 2015 with the rank of Colonel. Between 2013 and 2015 he was senior strategic communications officer for the Ministry of Defence.

Mr Taylor was a non-executive director of Bidstack Group plc up to July 2019, is a non-executive director of Sabien Technology Group plc and is CEO of Pathfinder Minerals Plc, having taken up the appointment on 3 June 2019.

Mr Taylor is also a member of the Company's Audit committee and is Chairman of the Company's Remuneration Committee.

The Board is kept abreast with developments of governance and AIM regulations. The Company's lawyers provide updates on governance issues, the Company's NOMAD provides annual board AIM Rules refresher training as well as the initial training as part of a new director's onboarding.

The Directors have access to the Company's NOMAD, company secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary.

Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance against targets and objectives, as well as the Directors' continued independence. As a part of the appraisal the appropriateness and opportunity for continuing professional development whether formal or informal is discussed and assessed.

Principle Eight

Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole which in turn will impact Company's performance. The Directors are very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that consultants or other representatives behave. The corporate governance arrangements that the Board has adopted are designed to instil a firm ethical code to be followed by Directors, consultants and representatives alike throughout the entire organisation. The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole which in turn will impact the Company's performance. The Company strives to achieve and maintain an open and respectful dialogue with representatives, regulators, suppliers and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Issues of bribery and corruption are taken seriously. The Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Company, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. Each employment contract specifies that the employee will comply with the policies. There are strong financial controls across the business to ensure on going monitoring and early detection.

Principle Nine

Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Non-Executive Directors arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved for the Board. The Chairman is responsible for the effectiveness of the Board as well as primary contact with shareholders, while, as an Investment Company, execution of the Company's investment strategy is a matter reserved for the Board.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement. The Board notes the requirement for the Company to meet the AIM Rules for Companies such that the Company is suitable at all times to remain admitted to trading on AIM. This includes the requirement for a governance structure compatible with this requirement.

The Board retains full and effective control over the Company and holds regular meetings at which financial, operational and other reports are considered and where appropriate voted upon. The Board is responsible for the Company’s strategy and key financial and compliance issues.

There are certain matters that are reserved for the Board, they include:

- Approval of the Company’s strategic aims and objectives;
- Review of Company performance and ensuring that any necessary corrective action is taken;
- Extension of the Company’s activities into new business or geographical areas;
- Any decision to cease to operate all or any part of the Company’s business;
- Major changes to the Company’s corporate structure and management and control structure;
- Any changes to the Company’s listing;
- Changes to governance and key business policies;
- Ensuring maintenance of a sound system of internal control and risk management;
- Approval of half yearly and annual report and accounts and preliminary announcements of final year results;
- Reviewing material contracts and contracts not in the ordinary course of business.

Audit Committee
During the financial year ended 31 March 2019 the Audit Committee was chaired by Sandy Barblett with Andrew Lawley and John Taylor being the other members of the Committee. The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from Company advisors and auditors relating to the interim and annual accounts and accounting and internal control systems in use throughout the Company.

The Audit Committee meets at least twice in each financial year and it has unrestricted access to the Company's auditors. In the prior year the Committee met once due to changes in personnel.

As the Company grows, the Directors will ensure that the governance framework remains in place to support the development of the business.

Remuneration Committee
During the financial year ended 31 March 2019 the Remuneration Committee was chaired by John Taylor with Sandy Barblett and Andrew Lawley being the other members of the Committee. The Remuneration Committee has the primary responsibility to ensure that the remuneration arrangements support the strategic aims of the Company.

The Remuneration Committee meets at least once in each financial year.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders in compliance with regulations applicable to companies quoted on the AIM market. All shareholders are encouraged to attend the Company's Annual General Meeting where they will be given the opportunity to interact with the Directors.

Investors also have access to current information on the Company through its website, www.twoshields.co.uk, and via Andrew Lawley, Non-Executive Chairman, who is available to answer investor relations enquiries.

The Company shall include, when relevant, in its Annual Report, any matters of note arising from the Audit Committee.

Copies of all Annual Reports, Notices of Meetings, Circulars sent to shareholders and Admission Documents (in respect of the last 5 years) are included on the Company's website.

If a significant proportion of votes was ever cast against a resolution by shareholders in General Meeting, the Company would, on a timely basis, provide an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

Annual report disclosures:

The table below provides details of our annual report disclosures as required under the QCA Code

QCA Code Principle	Disclosure	
1	Explain the company's business model and strategy, including key challenges in their execution (and how those will be addressed).	2018/19 annual report: p2-8
4	Describe how the board has embedded effective risk management in order to execute and deliver strategy. This should include a description of what the board does to identify, assess and manage risk and how it gets assurance that the risk management and related control systems in place are effective.	2018/19 annual report: p7
6	Identify each director.	2018/19 annual report: p15

	Describe the relevant experience, skills and personal qualities and capabilities that each director brings to the board (a simple list of current and past roles is insufficient); the statement should demonstrate how the board as a whole contains (or will contain) the necessary mix of experience, skills, personal qualities (including gender balance) and capabilities to deliver the strategy of the company for the benefit of the shareholders over the medium to long-term.	See website disclosure Principle Six
	Explain how each director keeps his/her skillset up-to-date.	See website disclosure Principle Six
	Where the board or any committee has sought external advice on a significant matter, this must be described and explained.	No such advice was sought in 2018/19
	Where external advisers to the board or any of its committees have been engaged, explain their role.	see website disclosure: Principle Six above.
	Describe any internal advisory responsibilities, such as the roles performed by the company secretary and the senior independent director, in advising and supporting the board.	The Company Secretary helps keep the Board up to date on areas of new governance and liaises with the Nomad on areas of AIM requirements. The Company Secretary has frequent communication with the Chairman and is available to other members of the Board if required.
7	Where a board performance evaluation has taken place in the year, provide a brief overview of it, how it was conducted and its results and recommendations. Progress against previous recommendations should also be addressed.	The Board has not undertaken any formal training during the year. This will continue to be monitored.
8	Include in the chairman's corporate governance statement how the culture is consistent with the Company's objectives, strategy and business model in the strategic report and with the description of principal risks and uncertainties. The statement should explain what the board does to monitor and promote a	See website disclosure: Principle Eight above.

	healthy corporate culture and how the board assesses the state of the culture at present.	
10	Describe the work of any board committees undertaken during the year.	See website disclosures.
	Include an audit committee report (or equivalent report if such committee is not in place).	There were no matters to report in the 2018/19 annual report
	Include a remuneration committee report (or equivalent report if such committee is not in place).	There were no matters to report in the 2018/19 annual report
	If the Company has not published one or more of the disclosures set out under Principles 1-9, the omitted disclosures must be identified and the reason for their omission explained.	N/A

OUTLOOK

The future developments are discussed in the Chairman's Statement.

ON BEHALF OF THE BOARD:

....
A Lawley - Chairman
30 August 2019

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their report and the audited Financial Statements for the year ended 31 March 2019.

GENERAL INFORMATION

Two Shields Investments plc is a public limited company incorporated in England and Wales under the Companies Act (registered number 02956279). The Company is domiciled in the United Kingdom and its registered address is Hyde Park House, 5 Manfred Road, London, SW15 2RS.

DIVIDENDS

The Directors do not recommend a payment of a dividend in respect of the year ended 31 March 2019 (2018: £ Nil).

DIRECTORS AND THEIR INTERESTS

The Directors shown below have held office during the year to 31 March 2019 or have been appointed/ resigned since the year end:

	Date appointed	Date resigned
John Taylor	1 March 2019	-
Andrew Lawley	20 December 2018	-
Sandy Barblett	13 March 2018	-
Charlie Wood	25 September 2017	20 December 2018
Christian Schaffalitzky	12 April 2017	1 April 2019

The Directors who served during the year and their beneficial interests in the shares of the Company as recorded in the register of Directors' interests at 31 March 2019 are as follows:-

	31 March 2019 Number of shares held	Percentage Shareholding %	31 March 2018 Number of shares held	Percentage Shareholding %
C Wood (resigned 20 December 2018)	1,666,667	0.1	1,666,667	0.1
C Schaffalitzky (resigned 1 April 2019)	-	-	-	-
S Barblett	3,000,000	0.2	-	-
A Lawley	10,000,000	0.5	-	-
J Taylor	17,000,000	0.8	-	-

DIRECTORS' REMUNERATION

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing the compensation arrangement for all key management personnel (considered to be the Directors), regarded as the Officers of the Company. The Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis. Details of the nature of each element of the remuneration of each member of Key Management for the year ended 31 March 2019 were as follows:

Director	Directors fees £	Other benefits £	Termination payments £	Total 2019 £	Total 2018 £
A Lawley	8,423	-	-	8,423	-
J Taylor	2,500	-	-	2,500	-
C Schaffalitzky -resigned 1 April 2019	19,500	-	-	19,500	16,333
S Barblett	37,342	-	-	37,342	-
C Wood – resigned 20 December 2018	61,333	18,000	44,103	123,436	27,000
C J Ells – resigned 12 March 2018	-	-	-	-	172,177
M E Parker – resigned 19 Oct 2017	-	-	-	-	61,532
	129,098	18,000	44,103	191,201	277,042

The Directors who served during the year and their beneficial interests in share options in the Company, as recorded in the register of Directors' interests, are as follows:-

	31 March 2019 Number held	31 March 2018 Number held
A Lawley	10,000,000	-
J Taylor	15,000,000	-

No other Director held any other beneficial interests in share options over the Company as at the year end.

See note 19 for details regarding the share options.

On 1 April 2019, the Company announced that it issued a total of 300,000,000 options to directors at 0.12p. These options only vest, in equal proportion, once the 90-day volume weighted average price ("VWAP") of the Shares exceeds 0.18p and 0.24p respectively (which represent prices approximately 71% and 129% higher than the closing mid-market share price of 0.105p on Friday 29 March 2019).

The Company confirms that the first half of options (150,000,000) have vested on 12 July 2019 given the 90-day VWAP exceeded the share price of 0.18p.

BOARD AND COMMITTEE MEETINGS

The number of Board and other Committee Meetings held during the year were as follows:

	31 March 2019	31 March 2018
Board	8	8
Audit Committee	1	-
Remuneration Committee	1	-

GOING CONCERN

Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the Financial Statements. The Directors confirm that they consider that the going concern basis remains appropriate. Further detail can be found in the Strategic Report and in note 1 to the Financial Statements.

SUBSTANTIAL INTERESTS

On 31 March and 16 August 2019, the following parties had notified the Company of a beneficial interest that represents 3% or more of the Company's issued share capital at that date:

	16 August 2019 Number of shares held	Share holding %	31 March 2019 Number of shares held	Share holding %	31 March 2018 Number of shares held	Share holding %
A Cade	N/A	N/A	125,000,000	6.0%	125,000,000	9.4%
H Sutherland	N/A	N/A	75,000,000	3.6%	75,000,000	5.7%
C Akers	135,000,000	3.9%	62,750,000	3.0%	-	-
Hambro Breutcher Limited	400,000,000	11.6%	-	-	-	-
M Hammond	145,000,000	4.2%	-	-	-	-
L Mansell	113,658,000	3.3%	-	-	-	-

FUTURE DEVELOPMENTS

See the Strategic Report and Chairman’s Statements for further information of future developments of the Company.

POST BALANCE SHEET EVENTS

See note 21 for detail on post balance sheet events.

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 Company'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 Company's auditor is aware of that information.

INDEPENDENT AUDITOR

PKF Littlejohn LLP has signified their willingness to continue in office as auditor.

The auditor, PKF Littlejohn LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
A Lawley
Chairman
30 August 2019

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 financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

ON BEHALF OF THE BOARD:

....
A Lawley
Chairman
30 August 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWO SHIELDS INVESTMENTS PLC

FOR THE YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Two Shields Investments plc (the 'company') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the 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 Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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 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 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.

Our application of materiality

The materiality for the financial statements as a whole was £100,000 (2017: £75,000), based on 3% of the draft net assets of the business, which we consider to be an appropriate benchmark because the key aspect to the company's performance is the valuation of the investments held. The performance materiality was £70,000 (2017: £60,000).

An overview of the scope of our audit

In designing our audit, we determined materiality, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas where the directors made subjective judgements, for example in respect of significant accounting estimates, including the fair value of the level 3 investments held at fair value through profit or loss. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Valuation of Investments **The company holds level 3 non-listed equity investments at fair value through profit or loss of £3,107,663 at 31 March 2019, as outlined in note 12 of the financial statements.** **There is a risk that these investments are not valued correctly in accordance with IFRS 9 'Financial Instruments' and IFRS 13 'Fair Value Measurement'. This is a key audit matter due to the material nature of the balance, the lack of observable inputs to the level 3 fair values and the significant estimates and judgements required in their valuation.**	• We confirmed ownership of each investment held. • For investments categorised within Level 3 of the IFRS 13 fair value hierarchy, we obtained management's assessment and valuation of the investments held at the year end, and challenged the inputs and assumptions used. • We tested the disclosures made within the financial statements to ensure compliance with IFRS. • We assessed whether management's assumptions were reasonable in light of the measurement objectives under IFRS 13.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the directors'.

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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 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 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: *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.

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
30 August 2019

1 Westferry Circus
Canary Wharf
London E14 4HD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Year ended 31 March 2019 £	Year ended 31 March 2018 £
CONTINUING OPERATIONS			
REVENUE	4	262	2,596
Administrative expenses	5	(582,850)	(586,106)
Transaction costs	5	(56,057)	(156,494)
Other (losses) - net	8	(1,915,054)	(26,969)
OPERATING LOSS		(2,553,699)	(766,973)
Finance income	9	26	39
Finance costs	9	-	(1,917)
LOSS BEFORE INCOME TAX		(2,553,673)	(768,851)
Income tax	10	-	-
LOSS FOR THE YEAR		(2,553,673)	(768,851)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(2,553,673)	(768,851)
EARNINGS PER SHARE (expressed in pence per share)			
Basic and diluted	11	(0.171)	(0.00)

The accounting policies and notes on pages 35 to 60 form part of these financial statements

TWO SHIELDS INVESTMENTS PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

Company number: 02956279

	Notes	31 March 2019 £	31 March 2018 £
ASSETS			
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss	12	3,107,663	4,542,686
CURRENT ASSETS			
Other receivables and prepayments		7,066	10,833
Financial assets at fair value through profit or loss	13	73,411	176,691
Cash and cash equivalents	14	561,636	512,507
		642,113	700,031
TOTAL ASSETS		3,749,776	5,242,717
EQUITY			
Share capital	15	2,088,219	1,326,219
Share premium		5,115,750	4,855,192
Other reserves	16	1,546,047	1,535,605
Retained earnings		(5,122,711)	(2,569,038)
TOTAL EQUITY		3,627,305	5,147,978
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	122,471	94,739
TOTAL LIABILITIES		122,471	94,739
TOTAL EQUITY AND LIABILITIES		3,749,776	5,242,717

The Financial Statements were approved and authorised for issue by the Board of Directors on 30 August 2019 and were signed on its behalf by:

....
A Lawley - Director

The accounting policies and notes on pages 35 to 60 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
Balance at 31 March 2017	1,564,331	1,836,406	965,905	(3,042,032)	1,324,610
Loss for the year	-	-	-	(768,851)	(768,851)
Total comprehensive income for the year	-	-	-	(768,851)	(768,851)
Issue of share capital	922,222	3,004,778	-	-	3,927,000
Exercise of warrants	5,376	29,566	-	-	34,942
Cancellation of deferred shares	(1,165,710)	-	-	1,165,710	-
Grant of share options and warrants	-	(15,558)	1,088,335	-	1,072,777
Reversal of equity component of convertible note repaid	-	-	(76,135)	76,135	-
Reversal of shares to be issued	-	-	(442,500)	-	(442,500)
Total transactions with owners, recognised directly in equity	(238,112)	3,018,786	569,700	1,241,845	4,592,219
Balance at 31 March 2018	**1,326,219**	**4,855,192**	**1,535,605**	**(2,569,038)**	**5,147,978**
Loss for the year	-	-	-	(2,553,673)	(2,553,673)
Total comprehensive income for the year	-	-	-	(2,553,673)	(2,553,673)
Issue of share capital	762,000	271,000	-	-	1,033,000
Grant of warrants	-	(10,442)	10,442	-	-
Total transactions with owners, recognised directly in equity	762,000	260,558	10,442	-	1,033,000
Balance at 31 March 2019	**2,088,219**	**5,115,750**	**1,546,047**	**(5,122,711)**	**3,627,305**

The accounting policies and notes on pages 35 to 60 form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Cash flows from operating activities		
Loss before income tax	(2,553,673)	(768,851)
Adjustment for:		
Finance costs	-	1,917
Finance income	(26)	(39)
Loss on disposal of financial assets	1,915,054	26,969
Shares issued for professional services	33,000	-
Share based payments	-	32,277
Decrease in trade and other receivables	3,767	21,947
(Decrease)/increase in trade and other payables	27,732	(216,064)
Net cash used in operating activities	(574,146)	(901,844)
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	(544,713)	(1,601,423)
Proceeds from disposal of financial assets at fair value through profit or loss	167,962	182,266
Net cash used in investing activities	(376,751)	(1,419,157)
Cash flows from financing activities		
Proceeds from the issue of share capital	1,000,000	2,700,000
Share issue expenses paid	-	(223,000)
Proceeds from exercise of warrants	-	34,942
Repayment of borrowings	-	(275,000)
Interest paid	-	(1,917)
Interest received	26	39
Net cash generated from financing activities	1,000,026	2,235,063
Net increase/ (decrease) in cash and cash equivalents	49,129	(85,938)
Cash and cash equivalents at the beginning of the year	512,507	598,445
Cash and cash equivalents at the end of the year (note 14)	561,636	512,507

The accounting policies and notes on pages 35 to 60 form part of these financial statements

Significant non-cash transactions in the year include shares and warrants issued in relation to the following:

4,500,000 Ordinary shares were issued to Align Research as payment for research services. The value of the shares issued is £18,000.

7,500,000 Ordinary shares were issued to Turner Pope Investments (TPI) Limited who, as corporate broker, agreed to take 50% of their annual £30,000 broking fee in stock. The value of the shares issued is £15,000.

The Company sold its position of 980 shares in Cobalt Blue Holdings Inc for consideration of 15,195,826 shares in African Battery Metals plc (now renamed as Power Metal Resources plc), with a deemed value based on the share price on the date of purchase of £509,060.

33,000,000 warrants were issued to Turner Pope Investments (TPI) Limited in part settlement of their fees for raising funds on the share placements during the year.

The accounting policies and notes on pages 35 to 60 form part of these financial statements

1. ACCOUNTING POLICIES

General information

Two Shields Investments plc is a public limited company incorporated in England and Wales under the Companies Act (registered number 02956279). The Company is domiciled in the United Kingdom and its registered address is Hyde Park House, 5 Manfred Road, London, SW15 2RS.

The principal activity of the Company in the year under review was to establish strategic and portfolio investments in listed and unlisted entities; the ongoing focus in high growth potential digital assets, financial technologies, services, consumer focused businesses and technology enabled businesses as well as monitoring historic projects in the natural resource sector.

Summary of significant accounting policies

The principal Accounting Policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets at fair value through profit or loss. The Company is an investment entity and has therefore prepared its financial statements on this basis.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Going concern

The Financial Statements have been prepared under the going concern assumption. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

1. **ACCOUNTING POLICIES – continued**

As referred to in note 15 of these Financial Statements, the Company raised gross proceeds of £500,000 by way of a share placing and issue of shares on 8 March 2019. These funds complement the Company's existing cash resources and has been used in part to fund further investment opportunities (see note 21). Where required, the Directors will limit expenditure on investments to ensure adequate resources remain available for the day to day running of the business. As is common for an early stage investment business it is unusual to receive material cash distributions from investee businesses where any surplus cash is usually reinvested in growth. Therefore, it is considered part of the normal course of business to access further funding from time to time to fund ongoing operations.

The Company expects to raise further funds during the next twelve months through the issue of new equity or equity like instruments and through the exercise of outstanding warrants expiring within twelve months. The Directors are confident that this funding will continue and consider that the Company will have access to adequate resources, as set out below, to meet operational requirements for at least 12 months from the date of approval of these financial statements.

On this basis, the Directors have formed a judgement, at the time of approving the Financial Statements, that there is a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the Financial Statements.

Changes in accounting policy and disclosures

(a) New standards, amendments and interpretations adopted by the Company

As of 1 April 2018 the Company has adopted IFRS 9 and IFRS 15.

IFRS 15 requires an expected quantitative impact of the application of IFRS 15 to be included within the financial statements. Dividend income recognition is not considered to change as a result of the transition to IFRS 15 as it is not contractual and therefore does not fall within the scope of this. The Company has no other revenue sources.

IFRS 9 became effective for all periods beginning on or after 1 January 2018 and as such is relevant for the year ended 31 March 2019. IFRS 9 impacts the recognition, classification, measurement and disclosures of financial instruments. The Company reviewed the financial assets and liabilities reported on its Statement of Financial Position and completed an assessment between IAS 39 and IFRS 9 to identify any accounting changes. The significant financial instruments held in the Company are Financial assets at fair value through profit or loss (non-current and current) and trade and other payables.

1. **ACCOUNTING POLICIES – continued**

Financial assets at fair value through profit or loss
The Company holds a number of investments at the year ended 31 March 2019, which are classified as both current and non-current. Under the standard, non-current financial assets were classified as available for sale and measured at fair value through profit or loss. As such the only change on transition to IFRS 9 is to the title of the non-current financial assets. Under IFRS 9 current financial assets are held at fair value through profit or loss which is unchanged from the previous standard.

Under IFRS 9 financial assets measured at fair value through profit or loss are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Trade and other payables
Under IFRS 9 trade payables continue to be measured at amortised cost using the effective interest rate method.

There are no other IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

(b) New standards, amendments and interpretations not yet adopted by the Company

The standards and interpretations that are relevant to the Company, issued but not yet effective, up to the date of issuance of the Financial Statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standard		**Effective Date**
IFRS 9 (Amendments)	Financial Instruments	1 January 2019
IFRS 16	Leases	1 January 2019
Annual Improvements	2015 – 2017 Cycle	1 January 2019
IAS 28 (Amendments)	Long term interests in associates and joint ventures	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
IFRS 3 (Amendments)	Business Combinations	*1 January 2020

**Subject to EU endorsement*

1. ACCOUNTING POLICIES – continued

Foreign currency translation

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 rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'Other (losses)/gains – net'.

The financial statements are presented in Pounds Sterling (£), which is the Company's functional and presentation currency.

Segmental reporting

An operating segment is a component of the Company that engages in business from which it may earn revenues and incur expenses. The Company has only one operating segment, being the investment in companies or assets in high growth potential digital assets, financial technologies, services, consumer focused businesses and technology enabled businesses as well as monitoring historic projects in the natural resource sector. Therefore, the financial information of the single segment is the same as that set out in the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows.

Financial assets

(a) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss and amortised cost including loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and include investments in listed and unlisted equities. Details of these assets and their fair value is included in note 2.

1. **ACCOUNTING POLICIES – continued**

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise other receivables and prepayments' and 'cash and cash equivalents' in the Statement of Financial Position. Loans and receivables are initially measured at the transaction cost and subsequently held at amortised cost.

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for other receivables which principally comprise of sundry debtors and prepayments. The recoverability of these amounts is reviewed on an ongoing basis. In measuring the expected credit losses, the receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

(b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, being the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value with transaction costs expensed for all financial assets.
Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within 'Other (losses)/gains – net' in the period in which they arise.

Dividends on available-for-sale equity instruments are recognised in the Statement of Comprehensive Income as part of income when the Company's right to receive payments is established, which is in line with the Company's revenue recognition policy.

(c) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A significant or prolonged decline in the fair value of equity investments and securities below its cost is evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is recognised in profit or loss.

1. ACCOUNTING POLICIES - continued

Derecognition of financial assets and liabilities
Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances.

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Other reserves

Other reserves consist of:

The share option reserve consists of the fair value of warrants and options in issue.

The merger reserve arose in the period ended 31 December 1995 relating to a previous share for share issue. The shares to be issued reserve was in relation to deferred share consideration which has subsequently been reversed.

The shares to be issued reserve consisted of shares authorised and paid but not yet issued.

1. ACCOUNTING POLICIES - continued

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Revenue

Revenue comprise of dividends from the Company's investments in financial assets and are recognised when the Company's right to receive payment is established, when it is probable that the economic benefits associated with the dividend will flow to the entity and when the amount of the dividend can be measured reliably.

Income tax

Income tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is calculated on the results shown in the Financial Statements and according to local tax rules, using tax rates enacted or substantially enacted by the Statement of Financial Position date.

Tax losses available to be carried forward as well as other income tax credits due to the Company are assessed for recognition as deferred tax assets. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be recognised and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Share based payments

The Company operates equity-settled, share-based compensation plans, under which the entity receives services from directors and employees as consideration for equity instruments (options) of the Company. The fair value of the services received in exchange for the grant of the options is recognised as an expense.

1. ACCOUNTING POLICIES - continued

The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, the Company's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time). The share options issued by the Company do not have any vesting conditions and all vested on issue.

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Comprehensive Income, with a corresponding adjustment to equity.

When options and warrants are issued as part of the consideration of an investment purchase, they are fair valued in accordance with recognition methodology.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Factors

The Company's principal financial instruments comprise both listed and unlisted investments, other receivables, other payables and cash, which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The Company's activities expose it to a variety of financial risks. The Company's Board monitors and manages the financial risks relating to the operations of the Company. The Board provides written policies for overall risk management, as well as written policies covering specific areas including: market risks (including foreign exchange risk and price risk) and to a very limited amount, interest rate risk and liquidity risk.

Market risk- *Price risk*

The Company is exposed to equity securities price risk because of the level 1 current asset investments held by the Company, classified at fair value through profit or loss. The Company is not directly exposed to commodity price risk but is indirectly exposed to this through its equity investments. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio across investments holding different commodities.

Diversification of the portfolio is done in accordance with the limits set by the Board.

The Company's investments in equity of other entities are publicly traded on the London Stock Exchange (LSE).

Post-tax profit for the year would increase or decrease by £4,385 as a result of a 5% gain or loss on equity securities classified as at fair value through profit or loss. Other components of equity would not change as a result of gains or losses on equity securities classified as non-current.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and cash and cash equivalents held at banks. The Company's maximum exposure to credit risk by class of financial asset is as follows:

	As at 31 March 2019 £	As at 31 March 2018 £
Cash and cash equivalents	561,636	512,507
Other receivables	7,066	10,833
Total	568,702	523,340

2. FINANCIAL RISK MANAGEMENT - continued

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for other receivables which principally comprise of sundry debtors and prepayments. The recoverability of these amounts is reviewed on an ongoing basis. In measuring the expected credit losses, the receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

The fair value of cash and cash equivalents at 31 March 2019 approximates the carrying value. Credit risk relating to cash and cash equivalents is mitigated as cash and cash equivalents are held with reputable institutions. Further details regarding cash and cash equivalents can be found in note 14.

Interest risk

The Company is not exposed to interest rate risk on financial liabilities. As at the reporting date, the Company had no debt outstanding.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Company's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital, generate a return on its investments to meet its future obligations.

The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

31 March 2019	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years
	£	£	£	£	£	£
Trade and other payables	122,471	122,471	122,471	-	-	-
Total	122,471	122,471	122,471	-	-	-

31 March 2018	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years
	£	£	£	£	£	£
Trade and other payables	94,739	94,739	94,739	-	-	-
Total	94,739	94,739	94,739	-	-	-

2. **FINANCIAL RISK MANAGEMENT - continued**

(b) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Company's capital structure consists of equity attributable to the owners, comprising issued capital, reserves and retained losses. The Company has no commitments under its current investments and as such, the capital risk management is ensuring that adequate capital is available to meet the working capital demands of the Company.

(c) Fair Value Estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values for the Company's assets and liabilities are not materially different from their carrying values in the financial statements.

The following table presents the Company's financial assets that are measured at fair value:

31 March 2019:	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Trading securities	69,731	-	3,680	73,411
Financial assets at fair value through profit or loss				
Equity securities	-	-	3,107,663	3,107,663

31 March 2018:	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Trading securities	173,011	-	3,680	176,691
Financial assets at fair value through profit or loss				
Equity securities	-	-	4,542,686	4,542,686

The Company does not have any liabilities measured at fair value. There have been no transfers in to or transfers out of fair value hierarchy levels in the period.

2. FINANCIAL RISK MANAGEMENT – continued

(i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily LSE investments classified as trading securities.

A reconciliation of the Level 1 investments is included in note 13.

(ii) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. No investments are valued using level 2 inputs in the period.

(iii) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Following the guidance of IFRS 9, these financial instruments have been assessed to determine the fair value of the instrument. In their assessment, the Directors have considered both external and internal indicators to decide whether an impairment charge must be made or whether there needs to be a fair value uplift on the instrument. Details of the assessments of these instruments can be found in note 12.

The following table presents the changes in level 3 instruments for the years ended 31 March 2019 and 31 March 2018:

	2019 £	2018 £
Opening balance	4,542,686	1,022,963
Additions into level 3	544,713	3,519,723
Disposals from level 3	(509,060)	-
Loss on disposal	(687,691)	-
Impairment charge	(820,503)	-
Fair value uplift on investment	37,518	-
Closing balance	3,107,663	4,542,686

3. CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting estimates will by definition, seldom equal the actual results.

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 addressed below.

Fair value of financial assets – level 3
The Company reviews the fair value of its unquoted equity instruments at each Statement of Financial Position date. This requires management to make an estimate of the value of the unquoted securities in the absence of an active market. See note 3b and note 12 for detail on the Level 3 valuation process.

(b) Critical judgements in applying the entity's accounting policies

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. The most critical judgements as applied to these financial statements are as follows:

Financial assets held at fair value through profit or loss

Level 3 financial assets held at fair value through profit or loss have a carrying value of £3,107,663 at 31 March 2019. An impairment charge of £820,503 (2018: £Nil) has been recognised in the year.

The Company follows the guidance of IFRS 9 to determine when an investment at fair value through profit or loss is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of the short-term business outlook for the investee, including factors such as industry and sector performance and operational and financing cash flow. Management also consider external indicators such as commodity prices, investment performance and demand for the underlying commodity. As per note 2, financial assets held at fair value through profit or loss are assessed individually. Details of the assessment of each investment is included in note 12.

4. REVENUE

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Dividend income on financial assets at fair value through profit and loss	262	2,596

5. EXPENSES BY NATURE

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Exchange differences	300	-
Directors' remuneration (Note 6)	191,201	277,042
Legal and professional fees	214,739	145,461
Investment transaction costs	56,057	156,494
Auditors' remuneration (Note 7)	30,000	21,250

6. EMPLOYEES AND DIRECTORS

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Directors' remuneration	191,201	277,042

The Company has no employees other than the Directors.

The average monthly number of employees (including Directors) during the year was as follows:

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Directors	3	3

6. EMPLOYEES AND DIRECTORS (continued)

Directors remuneration - detail

Director	Directors fees £	Other benefits £	Termination payments £	Total 2019 £	Total 2018 £
A Lawley	8,423	-	-	8,423	-
J Taylor	2,500	-	-	2,500	-
C Schaffalitzky	19,500	-	-	19,500	16,333
S Barblett	37,342	-	-	37,342	-
C Wood – resigned 20 December 2018	61,333	18,000	44,103	123,436	27,000
C J Ells – resigned 12 March 2018	-	-	-	-	172,177
M E Parker – resigned 19 Oct 2017	-	-	-	-	61,532
	129,098	18,000	44,103	191,201	277,042

7. AUDITOR'S REMUNERATION

During the year the Company obtained the following services from the auditor:

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Fees payable to the Company's auditor in relation to the audit of the Company:	22,500	19,500
Fees payable to the Company's auditor for other services:		
-Tax services	2,700	1,750
- Other assurance services	4,800	-
	30,000	21,250

8. OTHER (LOSSES)/GAINS – NET

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Unrealised fair value losses on current financial assets at fair value through profit or loss	(440,641)	(48,774)
Loss on disposal of financial assets at fair value through profit or loss	(691,428)	-
Impairment charge	(820,503)	-
Fair vale uplift on investment	37,518	-
Other Gains - Net	-	21,805
	(1,915,054)	(26,969)

The unrealised losses relate to the year-end revaluation of the traded securities classified as financial assets at fair value through profit or loss. More detail is included in note 13.

The loss on disposal relates to the sale of the Company's holding in Cobalt Blue Holdings Inc, as discussed in note 12.

9. FINANCE INCOME AND COSTS

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Finance income:		
Bank deposit interest	26	39
Finance costs:		
Loan interest	-	1,917

10. INCOME TAX

Tax charge/(credit) for the year

No liability to UK corporation tax arose on ordinary activities for the years ended 31 March 2019 and 31 March 2018.

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Current tax	-	-
Deferred tax	-	-
	-	-

Factors affecting the tax charge/(credit) for the year

Loss on ordinary activities before income tax	(2,553,673)	(768,851)
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	(485,198)	(146,082)
Effect of:		
Tax losses for which no deferred tax asset was recognised	371,994	134,653
Expenses not deductible	113,204	11,429
Tax charge for the year	-	-

As at the end of the reporting year the Company held approximately £4,143,000 (2018: £4,140,000) in respect of capital losses and approximately £1,375,000 (2018: £1,372,000) in relation to operating losses. Both are available to be offset against future gains and profits.

A deferred tax asset has not been recognised in respect of these losses in view of the uncertainty as to the level and timing of future taxable profits and gains.

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

In accordance with IAS 33 the share options and warrants in issue do not have a dilutive impact on the earnings per share for the year ended 31 March 2019 and the year ended 31 March 2018. The total number of potentially dilutive securities are 1,309,825,397 (2018: 853,735,450).

Reconciliations are set out below.

		31 March 2019	
	Earnings £	Weighted average number of shares	Per-share amount pence
Basic and Diluted EPS	(2,553,673)	1,489,536,141	(0.171)

		31 March 2018	
	Earnings £	Weighted average number of shares	Per-share amount pence
Basic and Diluted EPS	(768,851)	843,102,213	(0.00)

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – NON CURRENT ASSETS

	2019	2018
	£	£
Opening balance	4,542,686	1,022,963
Additions	544,713	3,519,723
Disposals	(509,060)	-
Loss on disposal	(687,691)	-
Impairment charge	(820,503)	-
Fair value uplift on investment	37,518	-
Closing balance	3,107,663	4,542,686

Financial assets include the following:

Unlisted securities	2019	2018
	£	£
UK	588,726	380,463
Africa	1,583,750	3,227,036
Israel	935,187	935,187
	3,107,663	4,542,686

The impairment of £820,503 is broken down between the specific assets as follows:

	2019
	£
IGS	141,738
Nashwan Holdings	138,125
Mansa Lithium	234,375
IMC	37,515
Xantus	268,750
	820,503

A brief description of the strategic holdings and their fair value assessment is as follows:

As at 31 March 2019, the Directors consider the fair value of the Company's 29.9 per cent investment in International Geoscience Services Limited ("IGS") to be based on its pro rata share of net assets being £238,725. The Directors consider this to equate to the fair value of this investment as fluidity in both IGS's geoconsultancy and technology businesses are historically difficult to forecast accurately. Revenues fell year on year due to deferrals in expected new contract wins which are now expected to be realised in 2019. Costs fell in 2018 reducing the loss incurred in the period. Based on the above, the Directors have taken the decision to reduce fair value from cost of £380,463 to the pro rata share of net assets being £238,725.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – NON CURRENT ASSETS– Continued

As at 31 March, 2019 the Company holds a 40% interest in Xantus Inc and a 30% interest in Nashwan Holdings Ltd, both holding exploration licences in southern Mali, which has high potential for lithium pegmatite deposits. As at 31 March 2019, the Directors consider the fair value of their 30% holding in Nashwan Holdings Ltd and their 40% holding in Mansa Lithium Inc to be £1,140,000 in aggregate, representing an impairment of £372,000 against the 31 March 2018 comparative of £1,512,000 in aggregate. At 31 March 2019 there had been no material developments which suggest any significant change in outlook of prospects for the licences, however the board of TSI believe that it is appropriate to fair value the assets with a c25% impairment to reflect the change of stated investment strategy away from active investment in legacy exploration assets and the possible terms of any deal to bring in new operating partners to take the opportunities forward.

As at 31 March 2019, the fair value of the Company's 2% investment in International Mining Company Invest Inc. ("IMC") has been reduced to nil from its acquisition cost of £37,515. The business specialises in the extraction of uranium from surface soils in Kyrgystan. The local government has recently passed legislation forcing uranium extraction to cease in the country. To be prudent the Directors feel the investment should be fully impaired. The directors believe that the situation is likely to reverse at some point in the future and that companies like IMC (which do not undertake disruptive mining and excavation but rather cleanse uranium from surface materials) will likely be permitted to recommence operations.

As at 31 March 2019, the fair value of the Company's 17.8% investment in Kalahari Key Mineral Exploration (Pty) Ltd has been increased to reflect the most recent placing on 13 May 2019 which was completed at US$55 a share, compared to TSI's shares which were acquired at US$52. The placing included US$210,000 from Power Metal Resources ("POW"), formerly African Battery Metals plc). Subsequently a joint venture was agreed with POW whereby POW can earn 40% of the project by investing US$500,000 in to the exploration work. This values the project at US$1,250,000 and TSI's current shareholding of 17.8% values it at US$222,500 (£175,000 equivalent).

As at 31 March 2019, the fair value of the Company's 40% investment in Xantus Inc. has been reduced from its acquisition cost of £537,500 to £268,750. The Directors consider this adjustment appropriate to reflect the political instability in Niger which is affecting activity in the country. Initial test results and prospects for the development remain consistent with the position at 31 March 2018 and therefore the Directors remain confident of the inherent value in the project.

As at 31 March 2019, the carrying value of the Company's 7.22% investment in BrandShield is based on its acquisition cost of £935,187. The Directors consider this carrying value to equate to the fair value of this investment given the proximity of the transaction to the reporting date.

At 31 March 2019, the carrying value of the Company's investment in WeShop is £350,000 based on the aggregate cost of investment which is in line with the latest share valuation. There has been a number of positive developments at the business regarding the appointment of a quality senior team, further developments to the technology platform, important partnerships being established and a clear plan to launch. However, while the business remains in fund raising process the Directors consider it prudent to continue to carry the investment at cost.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – CURRENT ASSETS

Equity securities – held for trading	2019	2018
	£	£
Opening balance	176,691	231,225
Additions	509,060	154,700
Disposals	(171,699)	(160,460)
Revaluation losses	(440,641)	(48,774)
Closing balance	73,411	176,691

Financial assets at fair value through profit or loss are presented within ‘operating activities’ as part of changes in working capital in the Statement of Cash Flows. Changes in fair values of financial assets at fair value through profit or loss, and gains or losses on disposal are recorded in ‘other (losses)/gains – net’ in the Statement of Comprehensive Income (note 8). The fair value of all equity securities is based on their observable current bid prices in an active market, being a level 1 hierarchy. These markets are the LSE and ASX as stated in note 2.

14. CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Bank accounts	547,343	510,272
Cash held in investment portfolio	14,293	2,235
	561,636	512,507

15. SHARE CAPITAL

	Number of shares	Ordinary shares	Deferred shares	Share premium	Total
	No.	£	£	£	£
At 31 March 2017	398,576,614	398,621	1,165,710	1,836,406	3,400,737
Issue of shares	922,222,222	922,222	-	3,227,778	4,150,000
Share issue costs	-	-	-	(223,000)	(223,000)
Cancellation of shares		-	(1,165,710)	-	(1,165,710)
Grant of warrants	-	-	-	(15,558)	(15,558)
Exercise of warrants	5,375,661	5,376	-	29,566	34,942
At 31 March 2018	1,326,174,497	1,326,219	-	4,855,192	6,181,411
Issue of shares	762,000,000	762,000	-	271,000	1,033,000
Grant of warrants	-	-	-	(10,442)	(10,442)
At 31 March 2019	2,088,174,497	2,088,219	-	5,115,750	7,203,969

15. SHARE CAPITAL continued

On 8 March 2019, 500,000,000 Ordinary shares of 0.10 pence were issued fully paid without a premium pursuant to a private placement.

On 4 October 2018, 250,000,000 Ordinary shares of 0.10 pence were issued fully paid at a premium of 0.20 pence per share pursuant to a private placement.

On 4 October 2018, 7,500,000 Ordinary shares of 0.10 pence were issued at a premium of 0.20 pence per share pursuant to an agreement with Turner Pope Investments (TPI) Limited as payment for 50% of their annual broking fee.

On 1 May 2018, 4,500,000 Ordinary shares of 0.10 pence were issued at a premium of 0.40 pence per share pursuant to an agreement with Align Research as payment for a consultancy fee.

16. OTHER RESERVES

	Shares to be issued	Share option reserve	Merger reserve	Total
At 31 March 2017	518,635	29,986	417,284	965,905
Issue of share warrants (see note 20)	-	15,558	-	15,558
Issue of warrants for investment	-	1,040,500	-	1,040,500
Issue of warrants to Directors	-	32,277	-	32,277
Shares to be issued	(442,500)	-	-	(442,500)
Equity component of convertible note	(76,135)	-	-	(76,135)
At 31 March 2018	-	1,118,321	417,284	1,535,605
Issue of share warrants (see note 19)	-	10,442	-	10,442
At 31 March 2019	-	1,128,763	417,284	1,546,047

Merger relief reserve of £417,284 arose in the period ended 31 December 1995 and relates to shares that were issued on a share for share basis in relation to the Langdon (Coffee & Tea) Limited transaction.

Share option reserve comprises the cumulative fair value of share options and warrants – See note 19.

17. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Trade payables	20,428	68,906
Accruals	102,043	25,833
	122,471	94,739

18. RELATED PARTY DISCLOSURES

The following transactions were undertaken with related parties:

Transactions			2019 £	2018 £
The Main Group Ltd	Entity under common Directorship: C J Ells	Administration costs	-	11,883
The Main Group Ltd	Entity under common Directorship: C J Ells	Termination fee	-	60,000
Orana Corporate LLP	Entity under common Directorship: C Wood	Accounting and Company Secretary Fees	32,331	4,000
Ainslie Capital Limited	Entity under common Directorship: C Wood	Directors Fees	8,000	-
Ugly Panda LLP	Entity under common Directorship: J Taylor	Directors Fees	2,500	-

19. SHARE-BASED PAYMENT TRANSACTIONS

The measurement requirements of IFRS 2 have been implemented in respect of share options and warrants granted. The expense recognised for share based payments during the year is £43,422 (2018: £32,277), this has been charged to the profit or loss account and £10,442 (2018: £Nil) to share premium.

658,000,000 options or warrants were issued during the financial year ended 31 March 2019 with an average exercise price of 0.16 pence (2018: 0.43 pence).

Movement in issued share options and warrants during the period

The table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options and warrants during the year as follows:

	No of options and warrants	WAEP
Outstanding at the beginning of the year	853,735,450	0.49p
Granted during the year	658,000,000	0.16p
Exercised during the year	-	-
Expired/ forfeited in the year	(211,910,053)	0.65p
Outstanding at the end of the year	1,299,825,397	0.27p
Exercisable at the end of the year	1,299,825,397	0.27p

The fair value of the options and warrants granted in the year and comparative year have been calculated using the Black Scholes model assuming the inputs shown below:

Grant date	**4 October 2018**	**8 March 2019**	**8 March 2019**
- No. of options/warrants granted	15,000,000	500,000,000	18,000,000
- Share price at grant date	0.18p	0.10p	0.10p
- Exercise price at grant date	0.20p	0.12p	0.10p
- Risk free rate	0.89%	0.75%	0.75%
- Option life	2 years	1 year	2 years
- Expected volatility	48.1%	56.4%	56.4%
- Expected dividend yield	0%	0%	0%
- Fair value of option/ warrant	£0.0004	£0.0001	£0.0003

19. SHARE-BASED PAYMENT TRANSACTIONS - continued

For detail on the prior year options in issue, see the 2018 financial report.
Share options and warrants outstanding at the end of the year have the following expiry dates:

Grant date	Exercise date	Number of shares
7 February 2017	18 January 2020	10,714,286
23 March 2017	7 February 2020	10,000,000
26 April 2017	26 April 2019	11,111,111
24 September 2017	24 September 2019	10,000,000
21 February 2018	28 March 2021	300,000,000
12 March 2018	12 March 2021	50,000,000
28 March 2018	28 March 2021	250,000,000
4 October 2018	4 October 2020	125,000,000
4 October 2018	4 October 2020	15,000,000
8 March 2019	8 March 2020	500,000,000
8 March 2019	8 March 2021	18,000,000

20. ULTIMATE CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

21. EVENTS AFTER THE REPORTING PERIOD

On 1 April 2019 the Company invested a further US$300,000 in BrandShield by way of a convertible loan. BrandShield is currently seeking to raise an aggregate amount of US $1 million into this convertible loan instrument. The loan will convert into equity on the maturity date, being the second anniversary of the closing date unless an accelerated conversion event occurs on an earlier date and has a 2.5% coupon. The Company has the right to make a further investment of up to US$500,000 in BrandShield within a period of 180 days from the Closing date under the same terms of the convertible loan.

On 1 April 2019, the Company invested a further £100,000 in to WeShop by way of an equity investment. This further investment will take the holding in WeShop from 1.2% to 1.71%.

On 1 April 2019 Mr Christian Schaffalitzky decided to step down as non-executive director of the Company with immediate effect to focus on other business opportunities. Mr Schaffalitzky has agreed to provide consultant services to the Company, as and when required by the Company, primarily in relation to Two Shield Investments' investee companies Kalahari Key Mineral Exploration Company (Pty) Ltd and International Geoscience Services Limited.

21. EVENTS AFTER THE REPORTING PERIOD (continued)

On 1 April 2019 the Company issued 100,000,000 options to each of the three directors totalling 300,000,000 options. These options only vest, in equal proportion, once the 90-day volume weighted average price of the Shares exceeds 0.18p and 0.24p respectively. The exercise period ends 3 years from the date of issue. 50% of these options vested on 12 July 2019.

On 24 April 2019, the Company completed a share swap with certain holders of equity in BrandShield Limited. The share swap transaction has been completed with settlement made effective through the issuance of 258,422,061 shares in TSI for a total consideration of £258,422. The Company now holds 11.34% of the issued share capital of BrandShield. The BrandShield vendors participating in the share swap have agreed that their consideration shares will be subject to a six-month lock-in.

On 22 May 2019, the Company announced that it had cancelled 250,000,000 warrants issued to Cobalt Blue Associates Inc (CBA). This cancellation has been formally agreed by CBA. These warrants, which carried the right to subscribe for one share in TSI at a price of 0.65p, would become exercisable once a total of five cobalt exploration licences in Cameroon had been granted to Cobalt Blue Holding (CBH) and its subsidiaries. Due to the acquisition of CBH by Power Metal Resources plc (formerly African Battery Metals plc), which was announced on 3 September 2018, there is no circumstance under which the condition can be met for these warrants to become exercisable.

On 24 May 2019, the Company completed a share swap with certain holders of equity in WeShop Limited. The share swap transaction has been completed with settlement made effective through the issuance of 1,000,000,000 shares in TSI for a total consideration of £1,355,468. The Company now holds 6.7% of the issued share capital of WeShop.

On 17 June 2019, the Company held a General Meeting of the shareholders to propose two resolutions. Firstly, an ordinary resolution to authorise the allotment of equity securities or rights to subscribe or to convert securities into ordinary shares up to an aggregate nominal amount of £3,750,000 and secondly to authorise the allotment of equity securities on a non-pre-emptive basis. Both resolutions were passed unanimously.

On 27 August 2019 the Company announced that it had signed heads of terms with Leopard Lithium Pty Ltd (“Leopard Lithium) regarding a possible acquisition of the interests of the Company in both Nashwan Holdings Ltd (“Nashwan”) and Mansa Lithium Inc (“Mansa”). Leopard Lithium is run by a team with expertise in such exploration projects and, consistent with the stated strategy, it is the opinion of the Directors that Leopard Lithium is better placed than the Company to optimise a return to the investors. Under the terms of the proposed transaction, the Company will hold 26.5% of Leopard Lithium which will in turn own 100% of the interests in both Nashwan and Mansa.