

Registered number: 07094575

AMENDED

DELTA CAPITA GROUP LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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DELTA CAPITA GROUP LIMITED

COMPANY INFORMATION

Directors	B Channer D Long A Shibolet A Yashunsky
Registered number	07094575
Registered office	2nd Floor 40 Bank Street London E14 5NR
Independent auditor	MHA MacIntyre Hudson 6th Floor 2 London Wall Place London EC2Y 5AU

DELTA CAPITA GROUP LIMITED

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DELTA CAPITA GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

In 2021, Delta Capita Group revenues have grown from £19.5m to £25.7m, 31.6% increase year on year.

Delta Capita is a leading global managed service, technology solutions and consulting provider with a unique combination of experience in financial services and capability in technology innovation. Delta Capita is establishing industry utility platforms to mutualise the cost of common banking functions using best practice standardisation, cutting edge technology and infrastructures.

The group has in house experts overseen by an Executive Management Team with extensive relevant industry experience.

On 23rd December 2021, the group acquired JDX Holdings Limited and its subsidiary undertakings. Post-acquisition the group has already taken steps to streamline shared service and head office functions between Delta Capita and JDX operations. The executive team are looking at ways to benefit from operational synergies such as resource sharing and cross-selling.

Financial risks continue to be managed at company and group level, debt covenants in relation to the new loan facility to support the acquisition of JDX are being met and reviewed regularly by Management.

Employment

Delta Capita has maintained its commitment to staff selection and development as a key business differentiator; by resourcing passionate individuals who have enthusiasm and an energy to engage with clients Delta Capita has found it increasingly common that projects will extend due to the staffs' interpersonal skills along with their technical abilities.

The company has clear policies in place around employee hiring, training, personal development and mentoring aimed to support career progression. The opportunity to contribute towards running the business is also available.

Principal risks and uncertainties

The market in which the company operates is highly competitive. The company's strategy is focussed on success in this environment by providing its clients with world class services.

People risk

To continue to provide world-class service the company needs staff of the highest quality. For this reason, the company places considerable emphasis on recruitment, training and retention of staff at all levels.

Price risk

To ensure the company remains competitive and to pick up any price sensitivities, fee rates are analysed on an ongoing basis across all disciplines and sectors.

Liquidity risk

The company monitors cash flow as part of its day to day control procedures. Management considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

Credit risk

Debtors are monitored by the executive directors and the risk is not considered to be significant at the balance sheet date.

Foreign exchange risk

Management monitor exposure to foreign currencies. If there looks to be a negative impact on the group from foreign currency fluctuations, appropriate measures are put in place.

DELTA CAPITA GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

BREXIT risk

Delta Capita is expected to benefit from the increased workload impacting London based businesses as they adjust to the consequences of the UK's exit from the EU. Delta Capita will continue to focus on geographic diversification during 2022, by investing in the growth of existing overseas offices in the United States and Asia and in EU locations (Benelux and Ireland).

Financial key performance indicators

Group turnover was £25.7m (2020 - £19.5m).

Gross profit was £1.4m (2020 - £3.8m). Margins were lower compared to previous given the investment in growth.

Operating loss was £9.5m (2020 - operating loss of £13.1m).

Directors' statement of compliance with duty to promote the success of the Group

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision-making. We believe we have a history of collaborative, informative stakeholder engagement, making decisions based on long-term success, and we maintain governance structures and processes that support good decision-making.

This section articulates how the Directors have acted to promote the success of the Company for the benefit of its stakeholders. In meeting this responsibility, the Directors have had regard, amongst other matters, to:

- a. the likely consequences of any decisions in the long term;
- b. the interests of the Company's colleagues;
- c. the need to foster the Company's business relationships with suppliers, customers and others;
- d. the impact of the Company's operations on the community and environment;
- e. the Company's reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the Company.

Stakeholder Engagement

Delta Capita's stakeholders are clients, colleagues, suppliers, investors and lenders and the Board recognises the need to regularly engage with its stakeholders as it makes decisions.


Our stakeholders' interests are at the forefront when the Board of Directors set the strategic priorities of the Company. In addition to regular stakeholder engagement, as the Board of Directors, our intention is to consider our operational impacts on the community and environment, and our wider societal responsibilities how we impact the regions we serve. We support our communities by finding them good work, supporting local corporate social responsibility initiatives, and ensuring our impact on the environment is minimal.

DELTA CAPITA GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

STAKEHOLDER GROUP	WHY THEY ARE IMPORTANT	HOW WE ENGAGE
Clients	We work with our clients to find people for good work to help them build better businesses. We retain them, continuing to understand their evolving requirements.	We review client satisfaction and our performance either quarterly, biannually or annually. This is supported by feedback via face-to-face meetings and surveys.
Colleagues	Our colleagues are fundamental to the delivery of our strategic and financial promises to our stakeholders.	Our mechanisms for engaging with colleagues include colleague councils across the Company, engagement tools and surveys, town hall meetings and our global newsletter.
Suppliers	We depend on a myriad of partners to meet our needs – whether they are supplying stationery or sourcing workers for our projects. We place the highest expectations on our supply chain, and, in turn, we treat them as real partners.	All suppliers are expected to abide by our Supplier Code of Conduct.
Investors and lenders	Access to capital through the capital markets and our lenders is important to the long-term success of our business.	The Board has regular meetings with our institutional investors and lenders to explain the Company's strategy, progress and plans, and to share how we are addressing market challenges.

This report was approved by the Board and signed on its behalf.

DocuSigned by:

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D Long
 Director

Date: 03-Mar-2023 | 17:57 GMT

DELTA CAPITA GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors

The Directors who served during the year ended 31 December 2021 and up to the date of approval of this report were:

B Channer
D Long
A Shibolet
A Yashunsky

Results and dividends

The loss for the year, after taxation, amounted to £9,955,940 (2020 - loss £13,309,921).

The Directors have not recommended a dividend in respect of the year ended 31 December 2021 (2020 - £NIL).

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Matters covered in the Group Strategic Report

In accordance with Section 414c (ii) of the Companies Act 2006, the Directors have chosen to include the following items in the Group Strategic Report:

- Principal activity and business review
- Principal risks and uncertainties
- Future developments

DELTA CAPITA GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

Under the terms of the ICP SPA there is contingent consideration payable in two tranches on 1 April 2022 and 1 April 2023.


At 2021 management's best estimate of the settlement amount was €1,278,000.

Subsequent to 31 December 2021 management have negotiated a final payment of €2,394,000 to settle the contingent consideration.

Auditor

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf.

DocuSigned by:

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D Long
Director

Date: 03-Mar-2023 | 17:57 GMT

DELTA CAPITA GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELTA CAPITA GROUP LIMITED

Opinion

We have audited the financial statements of Delta Capita Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

DELTA CAPITA GROUP LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELTA CAPITA GROUP LIMITED
(CONTINUED)**

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 contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

DELTA CAPITA GROUP LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELTA CAPITA GROUP LIMITED
(CONTINUED)**

Auditor 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the Group's in-house legal team around actual and potential litigation and claims;
- Enquiry of staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.



John Coverdale BSc FCA (Senior Statutory Auditor)
for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

Date: 3/3/2023

DELTA CAPITA GROUP LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	25,674,830	19,515,349
Cost of sales		(24,259,318)	(15,712,263)
Gross profit		1,415,512	3,803,086
Administrative expenses		(10,398,432)	(10,528,017)
Share based payment expense		(552,940)	(6,421,982)
Operating loss	5	(9,535,860)	(13,146,913)
Interest receivable and similar income	9	238	-
Interest payable and similar expenses	10	(345)	(49,698)
Loss before taxation		(9,535,967)	(13,196,611)
Tax on loss	11	(419,973)	(188,872)
Loss for the financial year		(9,955,940)	(13,385,483)
Exchange differences on translation of foreign operations		(53,650)	(184,457)
Other comprehensive income for the year		(53,650)	(184,457)
Total comprehensive income for the year		(10,009,590)	(13,569,940)
Loss for the year attributable to:			
Non-controlling interests		-	(75,562)
Owners of the parent Company		(9,955,940)	(13,309,921)
		(9,955,940)	(13,385,483)
Total comprehensive income for the year attributable to:			
Non-controlling interest		-	(75,562)
Owners of the parent Company		(10,009,590)	(13,494,378)
		(10,009,590)	(13,569,940)

The notes on pages 19 to 47 form part of these financial statements.

DELTA CAPITA GROUP LIMITED
REGISTERED NUMBER: 07094575

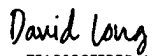
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	12		50,743,566		5,098,202
Tangible assets	13		2,014,336		276,054
Investments	14		110,386		110,386
			<u>52,868,288</u>		<u>5,484,642</u>
Current assets					
Debtors: Amounts falling due within one year	15	16,482,118		3,157,651	
Cash at bank and in hand	16	8,114,650		3,631,159	
		<u>24,596,768</u>		<u>6,788,810</u>	
Creditors: Amounts falling due within one year	17	(21,076,478)		(6,091,165)	
Net current assets			<u>3,520,290</u>		<u>697,645</u>
Total assets less current liabilities			<u>56,388,578</u>		<u>6,182,287</u>
Creditors: Amounts falling due after more than one year	18		(3,919,123)		(147,113)
Provisions for liabilities					
Deferred taxation	22		-		(11,999)
Other provisions	23		(25,548,343)		-
Net assets			<u>26,921,112</u>		<u>6,023,175</u>
Capital and reserves					
Called up share capital	24		365		303
Share premium account	25		39,588,289		14,233,786
Foreign exchange reserve	25		(53,650)		-
Share based payment reserve	25		6,974,921		6,421,982
Capital contribution reserve	25		5,000,000		-
Merger reserve	25		4,931,883		4,931,860
Profit and loss account	25		(29,520,696)		(19,564,756)
Equity attributable to owners of the parent Company			<u>26,921,112</u>		<u>6,023,175</u>

DELTA CAPITA GROUP LIMITED
REGISTERED NUMBER: 07094575

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

DocuSigned by:

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D Long
Director

Date: 03-Mar-2023 | 17:57 GMT

The notes on pages 19 to 47 form part of these financial statements.

DELTA CAPITA GROUP LIMITED
REGISTERED NUMBER: 07094575

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021


	Note	2021 £	2021 £	As restated 2020 £	As restated 2020 £
Fixed assets					
Intangible assets	12		56,122		112,244
Investments	14		57,773,384		15,110,386
			<u>57,829,506</u>		<u>15,222,630</u>
Current assets					
Debtors: Amounts falling due within one year	15	11,716,863		381,610	
Cash at bank and in hand	16	3,873,553		1,992,990	
			<u>15,590,416</u>	<u>2,374,600</u>	
Creditors: Amounts falling due within one year	17	(523,866)		(1,051,245)	
Net current assets			<u>15,066,550</u>		<u>1,323,355</u>
Total assets less current liabilities			<u>72,896,056</u>		<u>16,545,985</u>
Creditors: Amounts falling due after more than one year	18		-		(147,113)
Provisions for liabilities					
Other provisions	23	(25,585,989)			-
Net assets			<u><u>47,310,067</u></u>		<u><u>16,398,872</u></u>
Capital and reserves					
Called up share capital	24		365		303
Share premium account	25		39,587,258		14,233,786
Share based payment reserve	25		6,974,921		6,421,982
Capital contribution reserve	25		5,000,000		-
Merger reserve	25		4,931,883		4,931,860
Profit and loss account			(9,184,360)		(9,189,059)
			<u><u>47,310,067</u></u>		<u><u>16,398,872</u></u>

DELTA CAPITA GROUP LIMITED
REGISTERED NUMBER: 07094575

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The Company's profit for the year ended 31 December 2021 was £4,699 (*As restated 2020 - loss of £9,703,097*).

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

DocuSigned by:

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D Long
Director

Date: 03-Mar-2023 | 17:57 GMT

The notes on pages 19 to 47 form part of these financial statements.

DELTA CAPITAL GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Share based payment reserve	Foreign exchange reserve	Capital contribution reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2021	303	14,233,786	6,421,982	-	-	4,931,860	(19,564,756)	6,023,175
Comprehensive income								
Loss for the year	-	-	-	-	-	-	(9,955,940)	(9,955,940)
Other comprehensive income								
Exchange differences on translation of foreign operations	-	-	-	(53,650)	-	-	-	(53,650)
Total comprehensive income	-	-	-	(53,650)	-	-	(9,955,940)	(10,009,590)
Transactions with owners								
Shares issued during the year	62	25,354,503	-	-	-	-	-	25,354,565
Capital contribution	-	-	-	-	5,000,000	23	-	5,000,023
Share based payment expense	-	-	552,939	-	-	-	-	552,939
Total transactions with owners	62	25,354,503	552,939	-	5,000,000	23	-	30,907,527
At 31 December 2021	365	39,588,289	6,974,921	(53,650)	5,000,000	4,931,883	(29,520,696)	26,921,112

The notes on pages 19 to 47 form part of these financial statements.

DELTA CAPITA GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Share based payment reserve £	Merger reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2020	103	224,998	-	-	(1,574,914)	(1,349,813)	(501,997)	(1,851,810)
Comprehensive income								
Loss for the year	-	-	-	-	(13,309,921)	(13,309,921)	(75,562)	(13,385,483)
Other comprehensive income								
Foreign exchange differences	-	-	-	-	(184,457)	(184,457)	-	(184,457)
Transfer on acquisition of non-controlling interests	-	-	-	-	(4,495,464)	(4,495,464)	4,495,464	-
Total other comprehensive income	-	-	-	-	(4,679,921)	(4,679,921)	4,495,464	(184,457)
Total comprehensive income	-	-	-	-	(17,989,842)	(17,989,842)	4,419,902	(13,569,940)
Transactions with owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(89,351)	(89,351)
Shares issued during the year	200	14,008,788	-	-	-	14,008,988	-	14,008,988
Shares issued during the year	-	-	-	4,931,860	-	4,931,860	(3,828,554)	1,103,306
Share based payment expense	-	-	6,421,982	-	-	6,421,982	-	6,421,982
Total transactions with owners	200	14,008,788	6,421,982	4,931,860	-	25,362,830	(3,917,905)	21,444,925
At 31 December 2020	303	14,233,786	6,421,982	4,931,860	(19,564,756)	6,023,175	-	6,023,175

DELTA CAPITA GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Share based payment reserve	Capital contribution reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 January 2021 (as previously stated)	303	14,233,786	6,421,982	-	4,931,860	(8,920,896)	16,667,035
Prior year adjustment	-	-	-	-	-	(268,163)	(268,163)
At 1 January 2021 (as restated)	303	14,233,786	6,421,982	-	4,931,860	(9,189,059)	16,398,872
Comprehensive income							
Profit for the year	-	-	-	-	-	4,699	4,699
Transactions with owners							
Shares issued during the year	62	25,353,472	-	-	-	-	25,353,534
Capital contribution	-	-	-	5,000,000	23	-	5,000,023
Share based payment expense	-	-	552,939	-	-	-	552,939
Total transactions with owners	62	25,353,472	552,939	5,000,000	23	-	30,906,496
At 31 December 2021	365	39,587,258	6,974,921	5,000,000	4,931,883	(9,184,360)	47,310,067

The notes on pages 19 to 47 form part of these financial statements.

DELTA CAPITA GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Share based payment reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2020	103	224,998	-	-	514,038	739,139
Comprehensive income						
Loss for the year (as restated)	-	-	-	-	(9,703,097)	(9,703,097)
Transactions with owners						
Shares issued during the year	200	14,008,788	-	-	-	14,008,988
Shares issued during the year	-	-	-	4,931,860	-	4,931,860
Share based payment expense	-	-	6,421,982	-	-	6,421,982
Total transactions with owners	200	14,008,788	6,421,982	4,931,860	-	25,362,830
At 31 December 2020 (as restated)	303	14,233,786	6,421,982	4,931,860	(9,189,059)	16,398,872

The notes on pages 19 to 47 form part of these financial statements.

DELTA CAPITA GROUP LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss for the financial year		(9,955,940)	(13,385,483)
Adjustments for:			
Amortisation of intangible assets	12	2,747,095	1,323,838
Depreciation of tangible assets	13	139,878	156,311
Loss on disposal of tangible assets		41,188	9,262
Interest expense for discounting of deferred consideration		-	26,215
Taxation charge		419,973	188,872
(Increase)/decrease in debtors		(2,162,375)	1,138,307
Decrease in creditors		(755,460)	(3,968,834)
Corporation tax paid		(571,758)	(170,524)
Share based payment expense		552,939	6,421,982
Exchange differences on translation of foreign operations		(53,650)	(184,457)
Net cash used in operating activities		(9,598,110)	(8,444,511)
Cash flows from investing activities			
Purchase/development of intangible fixed assets	12	(1,491,410)	(1,119,956)
Purchase of tangible fixed assets	13	(237,213)	(101,511)
Net cash paid on acquisition of subsidiaries	27	(14,544,364)	(2,090,105)
Net cash used in investing activities		(16,272,987)	(3,311,572)
Cash flows from financing activities			
Issue of ordinary shares	24	25,354,565	14,008,759
Repayment of bank loans		-	(200,527)
Dividends paid to non-controlling interests		-	(89,351)
Capital contribution		5,000,023	-
Net cash generated from financing activities		30,354,588	13,718,881
Net increase in cash and cash equivalents		4,483,491	1,962,798
Cash and cash equivalents at beginning of year		3,631,159	1,668,361
Cash and cash equivalents at the end of year		8,114,650	3,631,159
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		8,114,650	3,631,159

The notes on pages 19 to 47 form part of these financial statements.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Delta Capita Group Limited is a private company, limited by shares, incorporated in England and Wales within the United Kingdom. The address of the registered office and the registration number are given in the company information page of these financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are rounded to the nearest pound sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

In the year ended 31 December 2021 the Group incurred a loss of £9,955,940 and had net assets of £26,921,112. The losses in the year are within the scope of the Group's business model and the Group remains supported by its parent Company. The Group's cash flow generation going forward is based on its trading activities and parent Company support which will enable the Group's cash flow to be effectively managed.

During the year ended 31 December 2021 the Group acquired 100% of the share capital of JDX Holdings Limited and International Compliance Partners B.V.. These acquisitions will help the Group increase its market share and further establish itself as a leader in the financial services consulting and managed services space by providing scale and increased trust and credibility.

The Group has had revenue growth whilst trading has improved year on year, total contract value has increased, and client concentration reduced. The future revenue pipeline remains strong, with revenue growth expected across the next financial year in each region.

In the event of any additionally prolonged period of lower revenue, the Directors would take mitigating action, including reducing overheads and right sizing the business. By design, the Group has a naturally very resilient business model, which would be able to withstand periods of revenue below current trading levels. The Directors have been monitoring the revenue and trade debtor KPIs closely over recent months, alongside the cashflow forecast, and are pleased to report that there has been no material impact on revenue or cash collection caused by the COVID-19 pandemic.

The Group are buoyant in a recession, history tells us that our clients look to reduce internal costs and headcount and therefore look to companies such as ours to fulfil their needs. As Directors, we do not foresee the recession negatively impacting our growth. The Ukraine/Russia conflict is and has no impact on operations, directly or indirectly.

The employees of the Group have adapted positively to working from home and the Group's ability to deliver the high-quality work expected by our clients has also been unaffected. Given the continued high demand from clients, the Group has continued to successfully recruit into key areas of the business.

On this basis, the Directors have a reasonable expectation that the Group and Company will have sufficient cash flow and available resources to continue operating for at least 12 months from the approval date of these financial statements. Accordingly, the Group and Company continues to adopt the going concern basis in preparing its financial statements.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Group and Company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life, depending on the individual acquisition, of between 3 to 5 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.14 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	25% on cost
Motor vehicles	-	25% on cost
Fixtures and fittings	-	25% on cost
Computer equipment	-	33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 Subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.17 Associates

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated financial statements, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investments are initially recognised at the transaction price (including transactions costs) and subsequently adjusted to reflect the investors share of profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets.

2.18 Debtors

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

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 Creditors

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

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.22 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.22 Financial instruments (continued)**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The significant judgement made by management in preparing these financial statements was the determination of the amortisation period for goodwill and the impairment assessment of the goodwill thereon.

The key source of estimation applied by management in the preparation of the financial statements relates to the fair value attributable to the merger reserve on the issue of equity as part of the Group's business combinations in the year. In addition, the impairment assessment of the Company's investment in subsidiaries is a significant judgement based on future expectations of financial performance.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Rendering of services	25,674,830	19,515,349
	<u>25,674,830</u>	<u>19,515,349</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	9,937,995	11,040,689
Rest of Europe	12,040,916	8,100,365
Rest of the World	3,695,919	374,295
	<u>25,674,830</u>	<u>19,515,349</u>

5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Foreign exchange differences	24,843	23,252
Operating lease rentals	17,441	97,520
	<u>42,284</u>	<u>120,772</u>

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	15,000	12,000
	<u>15,000</u>	<u>12,000</u>

Fees payable to the Group's auditor in respect of:

	2021 £	2020 £
Taxation compliance services	3,000	1,700
All other services	41,225	38,700
	<u>44,225</u>	<u>40,400</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2021 £	<i>As restated Group 2020 £</i>
Wages and salaries	17,594,995	13,163,044
Social security costs	1,875,474	975,071
Cost of defined contribution scheme	612,505	186,200
	<u>20,082,974</u>	<u>14,324,315</u>

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

	Group 2021 No.	<i>Group 2020 No.</i>	Company 2021 No.	<i>Company 2020 No.</i>
Employees	<u>232</u>	<u>185</u>	<u>3</u>	<u>3</u>

8. Directors' remuneration

	2021 £	<i>2020 £</i>
Directors' emoluments	542,400	237,333
Group contributions to defined contribution pension schemes	-	17,111
	<u>542,400</u>	<u>254,444</u>

During the year retirement benefits were accruing to 2 Directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £240,000 (2020 - £141,333).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2020 - £9,111).

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Interest receivable

	2021 £	2020 £
Other interest receivable	238	-
	<u>238</u>	<u>-</u>

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	345	9,028
Other loan interest payable	-	40,670
	<u>345</u>	<u>49,698</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	419,973	188,872
Taxation on profit on ordinary activities	<u>419,973</u>	<u>188,872</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(9,535,967)</u>	<u>(13,196,611)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,811,834)	(2,507,356)
Effects of:		
Disallowed expenditure	733	131,004
Capital allowances for year in excess of depreciation	(15,877)	6,365
Trading losses carried forward	1,862,063	1,099,207
Share based payments	105,059	1,220,177
Amortisation of goodwill	391,380	239,475
Fair value gain on deferred consideration	(111,551)	-
Total tax charge for the year	<u>419,973</u>	<u>188,872</u>

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% was substantively enacted in June 2021 and will take effect from 1 April 2023 for profits over £250,000. For profits under £50,000 the tax rate will remain the same at 19% and for profits between these figures it will be subject to 25% but reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Intangible assets**Group**

	Development expenditure £	Website £	Goodwill £	Total £
Cost				
At 1 January 2021	1,108,126	11,830	5,643,758	6,763,714
Additions	397,964	-	-	397,964
Additions - internal	1,093,446	-	-	1,093,446
Disposals	(41,188)	-	-	(41,188)
On acquisition of subsidiaries	781,364	35,153	46,125,720	46,942,237
At 31 December 2021	<u>3,339,712</u>	<u>46,983</u>	<u>51,769,478</u>	<u>55,156,173</u>
Amortisation				
At 1 January 2021	56,122	7,320	1,602,070	1,665,512
Charge for the year	682,688	4,510	2,059,897	2,747,095
At 31 December 2021	<u>738,810</u>	<u>11,830</u>	<u>3,661,967</u>	<u>4,412,607</u>
Net book value				
At 31 December 2021	<u>2,600,902</u>	<u>35,153</u>	<u>48,107,511</u>	<u>50,743,566</u>
At 31 December 2020	<u>1,052,004</u>	<u>4,510</u>	<u>4,041,688</u>	<u>5,098,202</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Intangible assets (continued)**Company**

	Development expenditure £
Cost	
At 1 January 2021	168,366
At 31 December 2021	168,366
Amortisation	
At 1 January 2021	56,122
Charge for the year	56,122
At 31 December 2021	112,244
Net book value	
At 31 December 2021	56,122
At 31 December 2020	112,244

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Tangible fixed assets**Group**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 January 2021	35,580	742	535,717	4,688	184,104	760,831
Additions	1,283	-	79,210	3,326	153,394	237,213
On acquisition of subsidiaries	-	-	1,640,947	-	-	1,640,947
At 31 December 2021	<u>36,863</u>	<u>742</u>	<u>2,255,874</u>	<u>8,014</u>	<u>337,498</u>	<u>2,638,991</u>
Depreciation						
At 1 January 2021	22,194	742	344,503	4,476	112,862	484,777
Charge for the year	1,365	-	82,677	429	55,407	139,878
At 31 December 2021	<u>23,559</u>	<u>742</u>	<u>427,180</u>	<u>4,905</u>	<u>168,269</u>	<u>624,655</u>
Net book value						
At 31 December 2021	<u>13,304</u>	<u>-</u>	<u>1,828,694</u>	<u>3,109</u>	<u>169,229</u>	<u>2,014,336</u>
At 31 December 2020	<u>13,386</u>	<u>-</u>	<u>191,214</u>	<u>212</u>	<u>71,242</u>	<u>276,054</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Tangible fixed assets (continued)**Company**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2021	17,179	742	2,991	20,912
At 31 December 2021	17,179	742	2,991	20,912
Depreciation				
At 1 January 2021	17,179	742	2,991	20,912
At 31 December 2021	17,179	742	2,991	20,912
Net book value				
At 31 December 2021	-	-	-	-
At 31 December 2020	-	-	-	-

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Fixed asset investments**Group**

	Unlisted investments £
Cost or valuation	
At 1 January 2021	110,386
At 31 December 2021	<u>110,386</u>
Net book value	
At 31 December 2021	<u>110,386</u>
At 31 December 2020	<u>110,386</u>

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost			
At 1 January 2021	23,739,764	110,386	23,850,150
Additions	559,939	-	559,939
On acquisition of subsidiaries	42,103,059	-	42,103,059
At 31 December 2021	<u>66,402,762</u>	<u>110,386</u>	<u>66,513,148</u>
Impairment			
At 1 January 2021	8,739,764	-	8,739,764
At 31 December 2021	<u>8,739,764</u>	<u>-</u>	<u>8,739,764</u>
Net book value			
At 31 December 2021	<u>57,662,998</u>	<u>110,386</u>	<u>57,773,384</u>
At 31 December 2020	<u>15,000,000</u>	<u>110,386</u>	<u>15,110,386</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments (continued)**Direct subsidiary undertakings**

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Delta Capita Limited	2nd Floor, 40 Bank Street, London, England, E14 5NR	Ordinary	100%
Delta Capita Managed Services Limited	2nd Floor, 40 Bank Street, London, England, E14 5NR	Ordinary	100%
Delta Capita B.V	Herikerbergweg 181, Vesta Building, 6th Floor, 1101 CN Amsterdam, Netherlands	Ordinary	100%
Delta Capita (Hong Kong) Limited	28th Floor, AIA Central, 1 Connaught Road, Central Hong Kong	Ordinary	100%
Delta Capita Pte Limited	7 Straits View, Marina One East Tower, #05-01, Singapore, 018936	Ordinary	100%
Delta Capita LLC	101 Avenue of the Americas, New York, NY 10013	Ordinary	100%
Del Cap Managed Services India Private Limited	No.31, Old No. 21/1, 3rd Floor, West Anjaneya, Temple Street, Basavanagudi, Bengaluru	Ordinary	99.9%
Qlarium Analytics Ltd	Givat Schmuël, 16 Dayan Moshe, 5442334, Israel	Ordinary	100%
Delta Capita KYC B.V.	Herikerbergweg 181 Vesta Building, 1101CN Amsterdam	Ordinary	100%
Delta Capita Technology Holdings Pte Ltd	4 Battery Road, #25-01 Bank of China Building, Singapore, 049908	Ordinary	100%
JDX Holdings Limited	2nd Floor, 40 Bank Street, London, England, E14 5NR	Ordinary	100%

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments (continued)
Direct subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Delta Capita Limited	866,750	(3,081,007)
Delta Capita Managed Services Limited	(2,508,588)	(2,910,600)
Delta Capita B.V	1,293,514	884,924
Delta Capita (Hong Kong) Limited	(2,253)	(6,041)
Delta Capita Pte Limited	(248,035)	(304,898)
Delta Capita LLC	(26,806)	(26,270)
Del Cap Managed Services India Private Limited	(34,261)	(34,758)
Qlarium Analytics Ltd	43,707	33,267
Delta Capita KYC B.V.	(14,165)	309,027
Delta Capita Technology Holdings Pte Ltd	(3,978)	(2,358)
JDX Holdings Limited	(2,255,625)	-

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Delta Capita Managed Services GmbH	Kurt-Blaum-Platz 8, 63450 Hanau	Ordinary	100%
ICP Opleidingen en Coaching B.V.	Herikerbergweg 181 Vesta Building, 1101CN Amsterdam	Ordinary	100%

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	12,175,529	1,982,125	-	-
Amounts owed by group undertakings	215,707	1,109	11,675,732	267,814
Other debtors	824,395	281,508	30,071	4,259
Prepayments and accrued income	2,075,324	677,644	11,060	109,537
Tax recoverable	340,319	215,265	-	-
Deferred taxation	850,844	-	-	-
	<u>16,482,118</u>	<u>3,157,651</u>	<u>11,716,863</u>	<u>381,610</u>

16. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	8,114,650	3,631,159	3,873,553	1,992,990
	<u>8,114,650</u>	<u>3,631,159</u>	<u>3,873,553</u>	<u>1,992,990</u>

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	As restated Company 2020 £
Other loans	5,100,023	-	-	-
Contract liabilities	117,061	-	-	-
Trade creditors	3,266,881	709,955	71,833	25,978
Amounts owed to group undertakings	146,423	-	126,372	268,163
Corporation tax	464,563	234,717	1,104	1,104
Other taxation and social security	3,330,051	1,747,558	-	-
Other creditors	891,913	1,361,417	296,970	649,858
Accruals and deferred income	7,759,563	2,037,518	27,587	106,142
	<u>21,076,478</u>	<u>6,091,165</u>	<u>523,866</u>	<u>1,051,245</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans	269,489	-	-	-
Net obligations under finance leases and hire purchase contracts	3,649,634	-	-	-
Other creditors	-	147,113	-	147,113
	<u>3,919,123</u>	<u>147,113</u>	<u>-</u>	<u>147,113</u>

19. Loans

Analysis of the maturity of loans is given below:

	Group 2021 £	Group 2020 £
Amounts falling due within one year		
Other loans	5,100,023	-
Amounts falling due after more than 5 years		
Other loans	269,489	-
	<u>5,369,512</u>	<u>-</u>

The Company does not have any loans.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £
Over 5 years	3,649,634	-
	<u>3,649,634</u>	<u>-</u>

The Company does not have any hire purchase and finance leases.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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21. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	As restated Company 2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	110,386	110,386	110,386	110,386
Financial assets measured at amortised cost	23,745,924	6,788,810	73,253,414	17,374,602
	<u>23,856,310</u>	<u>6,899,196</u>	<u>73,363,800</u>	<u>17,484,988</u>
Financial liabilities				
Financial liabilities measured at amortised cost	17,236,038	4,200,760	496,279	1,092,216

Financial assets measured at amortised cost comprise of cash, trade and other receivables and at company level investment in subsidiaries.

Financial assets at fair value through profit or loss relates to unlisted investments.

Financial liabilities measured at amortised cost comprise of loans, trade and other payables.

22. Deferred taxation**Group**

	2021 £	2020 £
Deferred tax (liability) at 1 January	(11,999)	(11,999)
Arising on business combinations	862,843	-
Deferred tax asset/(liability) at 31 December	<u>850,844</u>	<u>(11,999)</u>

The deferred tax asset/(liability) is made up as follows:

	Group 2021 £	Group 2020 £
Accelerated capital allowances	850,844	(11,999)
	<u>850,844</u>	<u>(11,999)</u>

The Company does not have any deferred taxation.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Provisions**Group**

	Deferred consideration - JDX £	Deferred consideration - ICP £	Total £
At 1 January 2021	-	-	-
Arising on business combinations	24,225,239	1,323,104	25,548,343
At 31 December 2021	24,225,239	1,323,104	25,548,343

Company

	Deferred consideration - JDX £	Deferred consideration - ICP £	Total £
At 1 January 2021	-	-	-
Arising on business combinations	24,225,239	1,360,750	25,585,989
At 31 December 2021	24,225,239	1,360,750	25,585,989

24. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
3,650,000 (2020 - 3,030,000) Ordinary shares of £0.0001 each	365	303

During the year ended 31 December 2021 the Company issued 620,000 ordinary £0.0001 shares with a nominal value of £62 for total consideration of £25,353,534 (2020 - issued 2,001,347 ordinary £0.0001 shares with nominal value of £200 for total consideration of £14,008,988).

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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25. Reserves

Share premium account

Share premium represents the excess of the fair value of consideration received for the equity shares, net of expenses of the share issue over the nominal value of the equity shares.

Foreign exchange reserve

The foreign exchange reserve represents the accumulation of non-distributable unrealised foreign exchange differences arising from the consolidation of foreign subsidiaries.

Share based payment reserve

The share based payment reserve has been established to record the impact of the issue of share options in the year on the company and group equity.

Capital contribution reserve

The capital contribution reserve relates to long term funding to the Group and Company where there is no contractual terms and the intention is that the amounts will not be repaid in the near future.

Merger Reserve

The merger reserve relates to the adjustment arising on the adoption of merger accounting principles on certain business combinations.

Profit and loss account

The profit and loss account represents accumulation of retained profits, net of dividends, which are in the form of distributable reserves.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. Share based payments

During the year ended 31 December 2021 the Company granted 88,234 (2020 - 310,310) share options to employees and service providers of the Group which will be settled by the issue of equity by the Company.

There were 310,310 share options brought forward at 1 January 2021 (*brought forward at 1 January 2020 - None*).

The share options vest over a maximum period of three years to 31 December 2022 and must be exercised within ten years from the date of grant.

67,374 (2020 - 30,992) share options were forfeited during the year ended 31 December 2021.

At 31 December 2021 there were 20,860 (2020 - 279,318) share options outstanding of which 300,960 (2020 - 259,474) were exercisable at the year end.

The share options were measured at the fair value of the services provided based upon the measurement derived from the Black Scholes model which was chosen as this is a common model for measuring share based payments. Fair value of each share option granted was £8.66 (2020 - £24.75).

The expense for the year ended 31 December 2021 relating to the share based payments was £552,940 (2020 - £6,421,982).

The exercise price for all the share options granted in the year was £0.0001.

27. Business combinations

On 2 April 2021 Delta Capita Group Limited acquired 100% of International Compliance Partners B.V. ("ICP").

On 23 December 2021 Delta Capita Group Limited acquired 100% of the share capital of JDX Holdings Limited and its subsidiary entities ("JDX").

Both business combinations were accounted for using the acquisition method of accounting.

Acquisition of International Compliance Partners B.V.

Recognised amounts of identifiable assets acquired and liabilities assumed

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

27. Business combinations (continued)

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	9,309	-	9,309
Intangible	35,153	-	35,153
	<u>44,462</u>	<u>-</u>	<u>44,462</u>
Current Assets			
Debtors	353,868	-	353,868
Cash at bank and in hand	150,023	-	150,023
Total Assets	<u>548,353</u>	<u>-</u>	<u>548,353</u>
Creditors			
Due within one year	(870,035)	-	(870,035)
Total identifiable net liabilities	<u>(321,682)</u>	<u>-</u>	<u>(321,682)</u>
Goodwill			3,005,537
Total purchase consideration			<u>2,683,855</u>
Consideration			
			£
Initial cash consideration			1,360,751
Deferred cash consideration			1,323,104
Total purchase consideration			<u>2,683,855</u>
Cash outflow on acquisition			
			£
Purchase consideration settled in cash, as above			1,360,751
Less: Cash and cash equivalents acquired			(150,023)
Net cash outflow on acquisition			<u>1,210,728</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Acquisition of JDX Holdings Limited
Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Tangible	1,631,638	-	1,631,638
Intangible	781,364	-	781,364
Goodwill	2,070,114	-	2,070,114
	<u>4,483,116</u>	<u>-</u>	<u>4,483,116</u>
Debtors	10,533,104	(701,379)	9,831,725
Cash at bank and in hand	1,235,569	-	1,235,569
	<u>16,251,789</u>	<u>(701,379)</u>	<u>15,550,410</u>
Total assets	16,251,789	(701,379)	15,550,410
Due within one year	(14,299,755)	(450,000)	(14,749,755)
Due after one year	(3,919,123)	-	(3,919,123)
Deferred tax on differences between fair value and tax bases	862,843	-	862,843
	<u>(1,104,246)</u>	<u>(1,151,379)</u>	<u>(2,255,625)</u>
Total identifiable net liabilities	(1,104,246)	(1,151,379)	(2,255,625)

	£
Total identifiable net liabilities	(2,255,625)
Goodwill	41,050,069
Total purchase consideration	<u>38,794,444</u>

	£
Consideration	
Initial cash consideration	13,999,999
Deferred cash consideration	24,225,239
Transaction costs	569,206
Total purchase consideration	<u>38,794,444</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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£

Cash outflow on acquisition

Purchase consideration settled in cash, as above	14,569,205
Less: Cash and cash equivalents acquired	(1,235,569)
	<u>13,333,636</u>

28. Prior year adjustment

During the year ended 31 December 2021 the Directors identified that a number of historic invoices had been recognised in the wrong financial year. As a result, the loss before taxation for the year ended 31 December 2020 for Company had been understated by £268,163, and the retained earnings overstated by the same amount. This has been adjusted by restating each of the affected financial statement line items for the prior year. Affected notes have been restated and include 'as restated' in the 2020 column heading.

The Directors had also identified a misclassification of social security costs within the staff costs note. As a result, social security costs were understated by £593,662 and wages and salaries were overstated by the same amount. The staff costs note in isolation has been restated. This misclassification had no impact on the Group or Company's result nor its reserves for the year ended 31 December 2020.

29. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £612,505 (2020 - £166,153).

30. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	253,800	150,194
Later than 1 year and not later than 5 years	403,994	-
	<u>657,794</u>	<u>150,194</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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31. Post balance sheet events

Under the terms of the ICP SPA there is contingent consideration payable in two tranches on 1 April 2022 and 1 April 2023.

At 2021 management's best estimate of the settlement amount was €1,278,000.

Subsequent to 31 December 2021 management have negotiated a final payment of €2,394,000 to settle the contingent consideration.

32. Controlling party

The Company is included in the consolidated financial statements of Prytek Holdings Pte Limited and said financial statements are available from 4 Battery Road #25-01 Bank of China Building, Singapore, 049908.

The ultimate controlling party at 31 December 2021 is A Yashunsky. Prior to this the ultimate controlling party was Mr I Rybakov.