

REGISTERED NUMBER: 09092423 (England and Wales)

DELIO LTD
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

Carston Chartered Accountants
Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

WEDNESDAY



ABB3UHQJ

A18

24/08/2022

#26

COMPANIES HOUSE

DELIO LTD

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

| | Page |
|---|-------------|
| Company Information | 1 |
| Strategic Report | 2 |
| Report of the Directors | 4 |
| Report of the Independent Auditors | 6 |
| Income Statement | 10 |
| Other Comprehensive Income | 11 |
| Statement of Financial Position | 12 |
| Statement of Changes in Equity | 13 |
| Statement of Cash Flows | 14 |
| Notes to the Statement of Cash Flows | 15 |
| Notes to the Financial Statements | 17 |
| Trading and Profit and Loss Account | 28 |

DELIO LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2022

| | |
|----------------------------------|--|
| DIRECTORS: | Mr J Darlington Mr G R Lewis Mr G D Newman Mrs S A Jones-Evans Mr R M Redwood Mr E P G Keelan |
| REGISTERED OFFICE: | 29 Windsor Place Cardiff CF10 3BZ |
| REGISTERED NUMBER: | 09092423 (England and Wales) |
| SENIOR STATUTORY AUDITOR: | Steven Davies BSc FCA |
| AUDITORS: | Carston Chartered Accountants Tudor House 16 Cathedral Road Cardiff CF11 9LJ |

DELIO LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2022

Review of the business

Delio is developing the technology, expertise and network to power the private market strategies of the world's most respected financial institutions and new entrants. Its configurable, white-labelled technology is already being used by more than 90 organisations in 18 countries around the world.

The year-ending 31 March 2022 marked another 12 months of high growth, with the company's turnover increasing by 112%. This sustained commercial traction illustrates Delio's reputation in the industry during a period which saw a significant number of high-profile client wins; this included winning the company's first enterprise-level clients in Asia and the Middle East. Delio's international standing has also been validated by inclusion in globally recognised awards, including the Fintech Power 50 and WealthTech 100, while the Wales Fast Growth 50 named us as the second fastest growing technology business in Wales.

In February 2022, Delio completed a £6.1m fundraise led by Octopus Ventures and Maven Capital Partners. The investment will further enhance the company's international operations and lay the foundations of its non-conflicted private markets infrastructure.

During the year, and fuelled by the latest fundraise, Delio continued to expand operations with a material increase in headcount and the introduction of a dedicated London office to supplement the head office in Cardiff and the regional office in Geneva, Switzerland.

Included in administrative expenses for the year are share option costs of £185k that relate to the prior financial year. Whilst the obligations associated with the share options were triggered in the year-ending 31 March 2021, the expense was only recognised in the current year once all formal legalities were complete.

Principal risks and uncertainties

While Delio's growth continues to accelerate, the wider political, societal and economic scene remains volatile. While the impact of Brexit has not necessarily limited the company's ability to expand its client base in Europe, the company continues to closely monitor developments to ensure that we remain well positioned to service non-UK clients and their regulatory requirements.

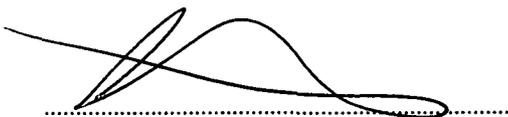
The Covid pandemic has meant that Delio has pivoted to a hybrid working policy in order to meet the changing expectations of our team and ensure we remain able to recruit and retain the most talented people.

Development and performance

The company has developed a road map for the next 12 months which will involve both capital investment and a further increase in headcount in order to deliver the next stage of expansion. Delio plans to further develop its core technology platform, engineer the new Delio Connect digital infrastructure and expand our client base both domestically and internationally.

Post year-end, Delio announced the creation of a new Advisory Board which consists of internationally recognised leaders from a diverse range of professional backgrounds and specialities.

ON BEHALF OF THE BOARD:



Mr G R Lewis - Director

DELIO LTD

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2022

Date: 11/08/22

DELIO LTD

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2022**

The directors present their report with the financial statements of the company for the year ended 31st March 2022.

DIVIDENDS

No dividends will be distributed for the year ended 31st March 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2021 to the date of this report.

Mr J Darlington
Mr G R Lewis
Mr G D Newman
Mrs S A Jones-Evans
Mr R M Redwood

Other changes in directors holding office are as follows:

Mr E P G Keelan - appointed 24th February 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

DELIO LTD

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2022**

AUDITORS

The auditors, Carston Chartered Accountants, will be proposed for re-appointment in a forthcoming Board Meeting.

ON BEHALF OF THE BOARD:



.....
Mr G R Lewis - Director

Date: 11/08/22
.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DELIO LTD**

Opinion

We have audited the financial statements of Delio Ltd (the 'company') for the year ended 31st March 2022 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 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 company's affairs as at 31st March 2022 and of its 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 Auditors' 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, 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 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DELIO LTD**

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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DELIO LTD**

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations - this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the Company and industry, discussions with management and directors we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Other laws and regulations where non-compliance may have a material effect on the company's operations include those associated with the company's FCA registration and regulatory requirements.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management, about litigations and claims and inspection of relevant correspondence;
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgments and estimates, including the carrying value of accruals, provisions, investments, recoverability of trade debtors and revenue recognition;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions, outside the normal course of business;

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DELIO LTD**

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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 Report of the Auditors.

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 a Report of the Auditors 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.

Steven Davies BSc FCA (Senior Statutory Auditor)
for and on behalf of Carston Chartered Accountants
Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

Date: 17 August 2022

DELIO LTD

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2022**

| | | 2022 | 2021 |
|---|-------|---------------------------|-------------------------|
| | Notes | £ | as restated £ |
| TURNOVER | | 3,235,892 | 1,520,870 |
| Cost of sales | | <u>(1,114,758)</u> | <u>(653,773)</u> |
| GROSS PROFIT | | 2,121,134 | 867,097 |
| Administrative expenses | | <u>(3,193,627)</u> | <u>(2,186,053)</u> |
| | | (1,072,493) | (1,318,956) |
| Other operating income | | - | 100,000 |
| OPERATING LOSS | 4 | <u>(1,072,493)</u> | <u>(1,218,956)</u> |
| Interest receivable and similar income | | <u>78</u> | <u>7</u> |
| Gain/loss on revaluation of investments | | <u>(1,072,415)</u> | <u>(1,218,949)</u> |
| | | <u>(436,213)</u> | <u>-</u> |
| | | (1,508,628) | (1,218,949) |
| Interest payable and similar expenses | 6 | <u>(143,242)</u> | <u>(47,121)</u> |
| LOSS BEFORE TAXATION | | (1,651,870) | (1,266,070) |
| Tax on loss | 7 | <u>471,500</u> | <u>535,622</u> |
| LOSS FOR THE FINANCIAL YEAR | | <u>(1,180,370)</u> | <u>(730,448)</u> |

The notes form part of these financial statements

DELIO LTD

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2022**

| | Notes | 2022 £ | 2021 as restated £ |
|---|-----------|--------------------|--------------------------|
| LOSS FOR THE YEAR | | (1,180,370) | (730,448) |
| OTHER COMPREHENSIVE INCOME | | | |
| Share Option Reserve | | 215,950 | - |
| Income tax relating to other comprehensive income | | - | - |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX | | 215,950 | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | | (730,448) |
| Prior year adjustment | Note 8 | (279,568) | |
| TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT | | (1,243,988) | |

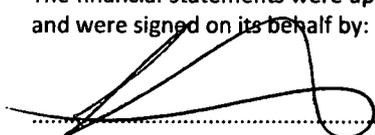
The notes form part of these financial statements

DELIO LTD (REGISTERED NUMBER: 09092423)

STATEMENT OF FINANCIAL POSITION
31ST MARCH 2022

| | | 2022 | 2021 | 2020 |
|--|-------|------------------|------------------|------------------|
| | Notes | £ | as restated £ | £ |
| FIXED ASSETS | | | | |
| Intangible assets | 9 | 5,724,824 | 3,769,474 | 2,044,615 |
| Tangible assets | 10 | 30,704 | 53,802 | 70,832 |
| Investments | 11 | 135,378 | 506,540 | 455,009 |
| | | <u>5,890,906</u> | <u>4,329,816</u> | <u>2,570,456</u> |
| CURRENT ASSETS | | | | |
| Debtors | 12 | 1,079,127 | 555,156 | 746,622 |
| Cash at bank | | 2,117,695 | 473,337 | 539,026 |
| | | <u>3,196,822</u> | <u>1,028,493</u> | <u>1,285,648</u> |
| CREDITORS | | | | |
| Amounts falling due within one year | 13 | (1,434,425) | (431,380) | (224,871) |
| NET CURRENT ASSETS | | | | |
| | | <u>1,762,397</u> | <u>597,113</u> | <u>1,060,777</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | |
| | | <u>7,653,303</u> | <u>4,926,929</u> | <u>3,631,233</u> |
| CREDITORS | | | | |
| Amounts falling due after more than one year | 14 | (508,282) | (1,696,834) | (293,798) |
| PROVISIONS FOR LIABILITIES | | | | |
| | 18 | (556,421) | (405,022) | (206,913) |
| NET ASSETS | | | | |
| | | <u>6,588,600</u> | <u>2,825,073</u> | <u>3,130,522</u> |
| CAPITAL AND RESERVES | | | | |
| Called up share capital | 19 | 20,844 | 17,237 | 16,942 |
| Share premium | 20 | 9,071,219 | 4,346,879 | 3,922,174 |
| Other reserves | 20 | 215,950 | - | - |
| Retained earnings | 20 | (2,719,413) | (1,539,043) | (808,594) |
| SHAREHOLDERS' FUNDS | | | | |
| | | <u>6,588,600</u> | <u>2,825,073</u> | <u>3,130,522</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 11/8/22
and were signed on its behalf by:


Mr G R Lewis - Director

The notes form part of these financial statements

DELIO LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2022

| | Called up share capital £ | Retained earnings £ | Share premium £ | Other reserves £ | Total equity £ |
|-----------------------------------|------------------------------------|---------------------------|-----------------------|------------------------|----------------------|
| Balance at 1st April 2020 | 16,942 | (808,595) | 3,922,174 | - | 3,130,521 |
| Changes in equity | | | | | |
| Increase in share capital | 295 | - | - | - | 295 |
| Total comprehensive income | - | (450,880) | - | - | (450,880) |
| Premium on share issue | - | - | 424,705 | - | 424,705 |
| Balance at 31st March 2021 | 17,237 | (1,259,475) | 4,346,879 | - | 3,104,641 |
| Prior year adjustment | - | (279,568) | - | - | (279,568) |
| As restated | 17,237 | (1,539,043) | 4,346,879 | - | 2,825,073 |
| Changes in equity | | | | | |
| Increase in share capital | 3,607 | - | - | - | 3,607 |
| Total comprehensive income | - | (1,180,370) | - | 215,950 | (964,420) |
| Premium on share issue | - | - | 4,724,340 | - | 4,724,340 |
| Balance at 31st March 2022 | 20,844 | (2,719,413) | 9,071,219 | 215,950 | 6,588,600 |

The notes form part of these financial statements

DELIO LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2022

| | Notes | 2022 £ | 2021 as restated £ |
|--|-------|--------------------|--------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 4,748 | 147,990 |
| Interest paid | | (141,838) | (14,609) |
| Interest element of finance lease payments paid | | (1,404) | (797) |
| Tax paid | | 733,731 | 427,439 |
| Net cash from operating activities | | <u>595,237</u> | <u>560,023</u> |
| Cash flows from investing activities | | | |
| Purchase of intangible fixed assets | | (2,556,123) | (2,200,095) |
| Purchase of tangible fixed assets | | (24,527) | (29,900) |
| Purchase of fixed asset investments | | (65,051) | (160,368) |
| Sale of fixed asset investments | | - | 108,837 |
| Movement in amts owed by/to group | | (153,891) | (10,459) |
| Interest received | | 78 | 7 |
| Net cash from investing activities | | <u>(2,799,514)</u> | <u>(2,291,978)</u> |
| Cash flows from financing activities | | | |
| New loans in year | | 545,833 | 1,302,500 |
| Loan repayments in year | | (1,668,865) | (81,180) |
| New finance leases in year | | 12,362 | 27,744 |
| Capital repayments in year | | (13,642) | (7,798) |
| Amount introduced by directors | | 245,000 | - |
| Share issue | | 3,607 | 295 |
| Share premium | | 4,724,340 | 424,705 |
| Net cash from financing activities | | <u>3,848,635</u> | <u>1,666,266</u> |
| Increase/(decrease) in cash and cash equivalents | | 1,644,358 | (65,689) |
| Cash and cash equivalents at beginning of year | 2 | 473,337 | 539,026 |
| Cash and cash equivalents at end of year | 2 | <u>2,117,695</u> | <u>473,337</u> |

The notes form part of these financial statements

DELIO LTD

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2022**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 2022 | 2021 as restated |
|--|------------------|---------------------|
| | £ | £ |
| Loss before taxation | (1,651,870) | (1,266,070) |
| Depreciation charges | 648,398 | 522,167 |
| Loss on revaluation of fixed assets | 436,213 | - |
| Share Option Issue | 215,950 | - |
| Finance costs | 143,242 | 47,121 |
| Finance income | (78) | (7) |
| | (208,145) | (696,789) |
| (Increase)/decrease in trade and other debtors | (370,081) | 201,924 |
| Increase in trade and other creditors | 582,974 | 642,855 |
| | 4,748 | 147,990 |
| Cash generated from operations | 4,748 | 147,990 |

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31st March 2022

| | 31/3/22 | 1/4/21 |
|---------------------------|------------------|----------------|
| | £ | £ |
| Cash and cash equivalents | 2,117,695 | 473,337 |
| | 2,117,695 | 473,337 |

Year ended 31st March 2021

| | 31/3/21 | 1/4/20 as restated |
|---------------------------|---------|-----------------------|
| | £ | £ |
| Cash and cash equivalents | 473,337 | 539,026 |
| | 473,337 | 539,026 |

The notes form part of these financial statements

DELIO LTD

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2022

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

| | At 1/4/21 £ | Cash flow £ | At 31/3/22 £ |
|---------------------------------|--------------------|------------------|------------------|
| Net cash | | | |
| Cash at bank | 473,337 | 1,644,358 | 2,117,695 |
| | <u>473,337</u> | <u>1,644,358</u> | <u>2,117,695</u> |
| Debt | | | |
| Finance leases | (19,944) | 194 | (19,750) |
| Debts falling due within 1 year | (104,979) | (59,894) | (164,873) |
| Debts falling due after 1 year | (1,686,598) | 1,184,014 | (502,584) |
| | <u>(1,811,521)</u> | <u>1,124,314</u> | <u>(687,207)</u> |
| Total | <u>(1,338,184)</u> | <u>2,768,672</u> | <u>1,430,488</u> |

The notes form part of these financial statements

DELIO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

1. STATUTORY INFORMATION

Delio Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Equipment - Straight line over 3 years

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

DELIO LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

2. ACCOUNTING POLICIES - continued

Research and development

Research expenditure is written off in the period in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Assets held under hire purchase and finance lease agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight-line basis.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Fixed asset investments

Where fixed asset investments can be reliably valued there are measured at fair value.

If the fixed asset investment cannot be reliably valued it is measured at cost less impairment.

DELIO LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

3. EMPLOYEES AND DIRECTORS

| | 2022 | 2021 as restated |
|---------------------|------------------|---------------------|
| | £ | £ |
| Wages and salaries | 1,329,168 | 1,167,208 |
| Other pension costs | 27,148 | 27,542 |
| | <u>1,356,316</u> | <u>1,194,750</u> |

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

| 2022 | 2021 as restated |
|-----------|---------------------|
| <u>59</u> | <u>52</u> |

| | 2022 | 2021 as restated |
|-------------------------|----------------|---------------------|
| | £ | £ |
| Directors' remuneration | <u>165,990</u> | <u>141,842</u> |

4. OPERATING LOSS

The operating loss is stated after charging/(crediting):

| | 2022 | 2021 as restated |
|---|--------------|---------------------|
| | £ | £ |
| Hire of plant and machinery | 5,099 | 4,843 |
| Depreciation - owned assets | 35,271 | 37,682 |
| Depreciation - assets on finance leases | 12,354 | 9,248 |
| Development costs amortisation | 600,773 | 475,236 |
| Auditors' remuneration | 9,000 | - |
| Foreign exchange differences | <u>3,310</u> | <u>(7,155)</u> |

5. EXCEPTIONAL ITEMS

| | 2022 | 2021 as restated |
|---------------------|------------------|---------------------|
| | £ | £ |
| Staff Share Options | <u>(215,950)</u> | <u>-</u> |

The exceptional item relates to the grant of share options to staff in the year.

DELIO LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

6. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2022 | 2021 as restated |
|-------------------------|----------------|---------------------|
| | £ | £ |
| Bank loan interest | 16,213 | 14,609 |
| Interest on overdue tax | 4,050 | - |
| Loan | 121,575 | 31,715 |
| Leasing | 1,404 | 797 |
| | <u>143,242</u> | <u>47,121</u> |

7. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

| | 2022 | 2021 as restated |
|--------------------|------------------|---------------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | (622,898) | (733,731) |
| Deferred tax | 151,398 | 198,109 |
| Tax on loss | <u>(471,500)</u> | <u>(535,622)</u> |

Tax effects relating to effects of other comprehensive income

| | Gross | Tax | 2022 Net |
|----------------------|----------------|----------|----------------|
| | £ | £ | £ |
| Share Option Reserve | <u>215,950</u> | <u>-</u> | <u>215,950</u> |

8. PRIOR YEAR ADJUSTMENT

Due to it not being possible to reliably measure other fixed asset investments at their fair value, these investments shall instead be measured at cost less impairment.

DELIO LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

9. INTANGIBLE FIXED ASSETS

| | Development costs £ |
|-----------------------|------------------------|
| COST | |
| At 1st April 2021 | 4,656,150 |
| Additions | 2,556,123 |
| | <u>7,212,273</u> |
| At 31st March 2022 | 7,212,273 |
| AMORTISATION | |
| At 1st April 2021 | 886,676 |
| Amortisation for year | 600,773 |
| | <u>1,487,449</u> |
| At 31st March 2022 | 1,487,449 |
| NET BOOK VALUE | |
| At 31st March 2022 | <u>5,724,824</u> |
| At 31st March 2021 | <u>3,769,474</u> |

10. TANGIBLE FIXED ASSETS

| | Equipment £ |
|-----------------------|----------------|
| COST | |
| At 1st April 2021 | 169,379 |
| Additions | 24,527 |
| | <u>193,906</u> |
| At 31st March 2022 | 193,906 |
| DEPRECIATION | |
| At 1st April 2021 | 115,577 |
| Charge for year | 47,625 |
| | <u>163,202</u> |
| At 31st March 2022 | 163,202 |
| NET BOOK VALUE | |
| At 31st March 2022 | <u>30,704</u> |
| At 31st March 2021 | <u>53,802</u> |

DELIO LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

10. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under finance leases are as follows:

| | Equipment £ |
|-----------------------|------------------------|
| COST | |
| At 1st April 2021 | 27,744 |
| Additions | 12,958 |
| | 40,702 |
| At 31st March 2022 | 40,702 |
| DEPRECIATION | |
| At 1st April 2021 | 9,248 |
| Charge for year | 12,354 |
| | 21,602 |
| At 31st March 2022 | 21,602 |
| NET BOOK VALUE | |
| At 31st March 2022 | 19,100 |
| At 31st March 2021 | 18,496 |

11. FIXED ASSET INVESTMENTS

| | 2022 £ | 2021 as restated £ |
|------------------------------|-------------------|--------------------------|
| Shares in group undertakings | 15,378 | 15,377 |
| Other investments not loans | 120,000 | 491,163 |
| | 135,378 | 506,540 |

Additional information is as follows:

| | Shares in group undertakings £ |
|-----------------------|---|
| COST | |
| At 1st April 2021 | 15,377 |
| Additions | 1 |
| | 15,378 |
| At 31st March 2022 | 15,378 |
| NET BOOK VALUE | |
| At 31st March 2022 | 15,378 |
| At 31st March 2021 | 15,377 |

DELIO LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

11. FIXED ASSET INVESTMENTS - continued

Investments (neither listed nor unlisted) were as follows:

| | 2022 | 2021 as restated |
|---------------------------------|----------------|---------------------|
| | £ | £ |
| Other investments bfwd | 491,163 | 455,000 |
| Other investments additions | 65,050 | 36,163 |
| Other Investments FV Adjustment | (436,213) | - |
| | <u>120,000</u> | <u>491,163</u> |

12. DEBTORS

| | 2022 | 2021 as restated |
|---|------------------|---------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 334,431 | 389,723 |
| Other debtors | 10,612 | 4,653 |
| VAT | 16,792 | - |
| Prepayments and accrued income | 537,293 | 134,671 |
| | <u>899,128</u> | <u>529,047</u> |
| Amounts falling due after more than one year: | | |
| Amounts owed by group undertakings | 179,999 | 26,109 |
| | <u>1,079,127</u> | <u>555,156</u> |
| Aggregate amounts | <u>1,079,127</u> | <u>555,156</u> |

DELIO LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 as restated |
|---|------------------|---------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 15) | 124,873 | 101,646 |
| Other loans (see note 15) | 40,000 | 3,333 |
| Finance leases (see note 16) | 14,062 | 9,718 |
| Trade creditors | 331,846 | 220,764 |
| Tax | (622,898) | (733,731) |
| Social security and other taxes | 328,253 | 479,079 |
| Pensions | 24,558 | 39,249 |
| VAT | - | 35,813 |
| Other creditors | 26,390 | 18,698 |
| Directors' loan accounts | 245,000 | - |
| Accruals and deferred income | 922,341 | 256,811 |
| | <u>1,434,425</u> | <u>431,380</u> |

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2022 | 2021 as restated |
|------------------------------------|----------------|---------------------|
| | £ | £ |
| Bank loans (see note 15) | 345,917 | 280,716 |
| Other loans (see note 15) | 156,667 | 1,405,882 |
| Finance leases (see note 16) | 5,688 | 10,226 |
| Amounts owed to group undertakings | 10 | 10 |
| | <u>508,282</u> | <u>1,696,834</u> |

15. LOANS

An analysis of the maturity of loans is given below:

| | 2022 | 2021 as restated |
|---|----------------|---------------------|
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Bank loans | 124,873 | 101,646 |
| WG Job Funding Loan | 40,000 | 3,333 |
| | <u>164,873</u> | <u>104,979</u> |

DELIO LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

15. LOANS - continued

| | 2022 | 2021 as restated |
|---|----------------|---------------------|
| | £ | £ |
| Amounts falling due between one and two years: | | |
| Bank loans - due after 1 year | 124,972 | 280,716 |
| Other loans - 1-2 years | 40,000 | 40,000 |
| | <u>164,972</u> | <u>320,716</u> |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | 220,945 | - |
| Other loans - 2-5 years | 116,667 | 1,365,882 |
| | <u>337,612</u> | <u>1,365,882</u> |

16. LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows:

| | Finance leases | |
|----------------------------|----------------|---------------------|
| | 2022 | 2021 as restated |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 14,062 | 9,718 |
| Between one and five years | 5,688 | 10,226 |
| | <u>19,750</u> | <u>19,944</u> |

17. SECURED DEBTS

The following secured debts are included within creditors:

| | 2022 | 2021 as restated |
|-----------------|----------------|---------------------|
| | £ | £ |
| Commercial loan | 228,311 | 292,026 |
| Finance lease | 11,089 | 19,941 |
| | <u>239,400</u> | <u>311,967</u> |

The commercial loan has a fixed and floating charge which is secured on all the property or undertaking of the company.

The loans in respect of finance lease agreements are secured against the assets to which they relate.

DELIO LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

18. PROVISIONS FOR LIABILITIES

| | 2022 | 2021 as restated |
|--------------------------------|----------------|---------------------|
| | £ | £ |
| Deferred tax | | |
| Accelerated capital allowances | 224,973 | 342,733 |
| Tax losses carried forward | (73,574) | (144,624) |
| Deferred tax | <u>405,022</u> | <u>206,913</u> |
| | <u>556,421</u> | <u>405,022</u> |
| | | Deferred tax |
| | | £ |
| Balance at 1st April 2021 | | 405,022 |
| Provided during year | | <u>151,399</u> |
| Balance at 31st March 2022 | | <u>556,421</u> |

19. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | | 2022 | 2021 as restated |
|----------------------------------|-----------------|-------------------|---------------|---------------------|
| Number: | Class: | Nominal value: | £ | £ |
| 20,844 | Ordinary Shares | £1 | <u>20,844</u> | <u>17,237</u> |

3,607 Ordinary Shares shares of £1 each were allotted as fully paid at a premium of £1309.77 per share during the year.

20. RESERVES

| | Retained earnings £ | Share premium £ | Other reserves £ | Totals £ |
|------------------------|---------------------------|-----------------------|------------------------|------------------|
| At 1st April 2021 | (1,259,475) | 4,346,879 | - | 3,087,404 |
| Prior year adjustment | (279,568) | | | (279,568) |
| | <u>(1,539,043)</u> | | | <u>2,807,836</u> |
| Deficit for the year | (1,180,370) | | | (1,180,370) |
| Share Option Reserve | - | - | 215,950 | 215,950 |
| Premium on share issue | - | 4,724,340 | - | 4,724,340 |
| | <u>(2,719,413)</u> | <u>9,071,219</u> | <u>215,950</u> | <u>6,567,756</u> |
| At 31st March 2022 | <u>(2,719,413)</u> | <u>9,071,219</u> | <u>215,950</u> | <u>6,567,756</u> |

DELIO LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

21. GOING CONCERN

The accounts have been prepared on the going concern basis which presumes that the Company will be able to continue trading for the foreseeable future.

Although the Company incurred further losses during the year, this was in line with its financial projections. Whilst turnover is forecast to increase materially over future years, further losses are anticipated before the Company returns to profitability. Throughout this period the capital position of the Company is forecast to remain strong, aided by further capital investment.

The Directors remain confident of the growth prospects of the Company given the management team's considerable industry experience and track-record, and the considerable opportunities available for further growth, both domestically and internationally.

The Company's progress to date, as well as its prudent approach to managing its capital resources and liquidity, enables the Directors to have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future.