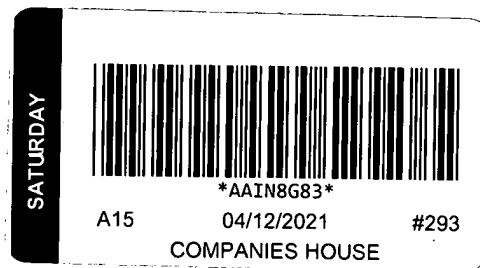


DELTA CAPITA GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



DELTA CAPITA GROUP LIMITED

COMPANY INFORMATION

Directors	B Channer D Long (appointed 28 February 2020) A Shibolet (appointed 28 February 2020) A Yashunsky (appointed 28 February 2020)
Registered number	07094575
Registered office	2nd Floor 40 Bank Street London E14 5NR
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 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 2020

Introduction

Delta Capita is a leading global managed services, 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.

Business review

The results for the year and the financial position at the year-end were considered satisfactory.

Despite continued Brexit related uncertainty and the impact of COVID-19 the business performed well and continued to increase its global client base.

On 28 February 2020, the Delta Capita Group secured investment from Prytek Holdings Pte Limited. The investment enables the Group to further expand as one of Europe's leading service providers and fintech technology hubs. As at 31 December 2020 Prytek Holdings Pte Limited were the ultimate controlling party of the Group.

On 1 October 2020 the Group acquired Voogt Pijl & Partners BV, the Directors are confident the acquisition will enhance the Group's business offering in Europe.

The Directors are confident that the company is well prepared operationally and financially to continue serving global financial services institutions.

Principal risks and uncertainties

The market in which the group operates is highly competitive. The group's vision is 'Reinventing the Financial Services Value Chain', by providing a Business Operating Platform-as-a-Service, a trusted mutualised service for Financial Services.

People risk

To provide this service the group needs the highest quality of staff. For this reason, the group places considerable importance on recruitment, training, and retention of staff at all levels.

Liquidity risk

The group monitors cash flow as part of its day-to-day control procedures. Management considers cash flow projections on a monthly basis and ensure that an appropriate level of funding is available.

Credit risk

Debtors are monitored by Management and the risk is not considered significant at the balance sheet date.

Foreign exchange risk

Management monitors exposure to foreign currencies.

DELTA CAPITA GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

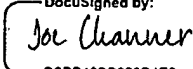
Financial key performance indicators

Group turnover was £19.5m (2019: £19m).

Gross profit was £3.8m (2019: £4m). Margins were lower compared to previous given the investment in growth.

Operating loss was £13.1m (2019: £2m) mainly driven by the share based payment in the year.

This report was approved by the board on 29 September 2021 and signed on its behalf.

DocuSigned by:

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B Channer
Director

DELTA CAPITA GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

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;
- 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.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £13,309,921 (2019 - loss £1,834,000).

No dividend was paid or voted during the year.

Directors

The directors who served during the year were:

B Channer
D Long (appointed 28 February 2020)
A Shibolet (appointed 28 February 2020)
A Yashunsky (appointed 28 February 2020)
P Arola (resigned 28 February 2020)
B Umeria (resigned 28 February 2020)

Future developments

The Directors do not envisage any change to the principal activity of the group in the foreseeable future.

Matters covered in the strategic report

Matters pertaining to principal risks and uncertainties are referred to in the Strategic Report.

DELTA CAPITA GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

Post balance sheet events affecting the Group since the year end are disclosed in note 31 of the financial statements.

Auditors

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 29 September 2021 and signed on its behalf.

DocuSigned by:

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B Channer
Director

DELTA CAPITA GROUP LIMITED

INDEPENDENT AUDITORS' 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 2020, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, 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 Group's and of the parent Company's affairs as at 31 December 2020 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 Auditors' 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 AUDITORS' REPORT TO THE MEMBERS OF DELTA CAPITA GROUP LIMITED
(CONTINUED)**

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

DELTA CAPITA GROUP LIMITED

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

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 an Auditors' 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 and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

DELTA CAPITA GROUP LIMITED

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

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

John Coverdale BSc FCA (Senior statutory auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditors

6th Floor
2 London Wall Place
London
EC2Y 5AU

30 September 2021

DELTA CAPITA GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	19,515,349	19,065,053
Cost of sales		(15,712,263)	(15,074,580)
Gross profit		3,803,086	3,990,473
Administrative expenses		(10,528,017)	(5,946,979)
Share based payment expense	25	(6,421,982)	-
Operating loss	5	(13,146,913)	(1,956,506)
Share of loss of associate		-	(63,900)
Total operating loss		(13,146,913)	(2,020,406)
Income from fixed assets investments		-	39,000
Interest receivable and similar income	9	-	4,060
Interest payable and expenses	10	(49,698)	(26,283)
Loss before taxation		(13,196,611)	(2,003,629)
Tax on loss	11	(188,872)	(198,473)
Loss for the financial year		(13,385,483)	(2,202,102)
Exchange differences on translation of foreign operations		(184,457)	235,278
Other comprehensive income for the year		(184,457)	235,278
Total comprehensive income for the year		(13,569,940)	(1,966,824)
(Loss) for the year attributable to:			
Non-controlling interests		(75,562)	(368,102)
Owners of the parent Company		(13,309,921)	(1,834,000)
		(13,385,483)	(2,202,102)
Total comprehensive income for the year attributable to:			
Non-controlling interest		(75,562)	(368,102)
Owners of the parent Company		(13,494,378)	(1,598,722)
		(13,569,940)	(1,966,824)

The notes on pages 20 to 46 form part of these financial statements.

DELTA CAPITA GROUP LIMITED
REGISTERED NUMBER: 07094575


CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	5,098,202	683,349
Tangible assets	14	276,054	340,116
Investments	15	110,386	267,470
		<u>5,484,642</u>	<u>1,290,935</u>
Current assets			
Debtors	16	3,157,651	4,080,693
Cash at bank and in hand	17	3,631,159	1,668,361
		<u>6,788,810</u>	<u>5,749,054</u>
Creditors: amounts falling due within one year	18	(6,091,165)	(8,679,273)
Net current assets/(liabilities)		<u>697,645</u>	<u>(2,930,219)</u>
Total assets less current liabilities		<u>6,182,287</u>	<u>(1,639,284)</u>
Creditors: amounts falling due after more than one year	19	(147,113)	(200,527)
Provisions for liabilities			
Deferred taxation	22	(11,999)	(11,999)
		<u>(11,999)</u>	<u>(11,999)</u>
Net assets/(liabilities)		<u><u>6,023,175</u></u>	<u><u>(1,851,810)</u></u>
Capital and reserves			
Called up share capital	23	303	103
Share premium account	24	14,233,786	224,998
Share based payment reserve	24	6,421,982	-
Merger reserve	24	4,931,860	-
Profit and loss account	24	(19,564,756)	(1,574,914)
Equity attributable to owners of the parent Company		<u>6,023,175</u>	<u>(1,349,813)</u>
Non-controlling interests		-	(501,997)
		<u><u>6,023,175</u></u>	<u><u>(1,851,810)</u></u>

DELTA CAPITA GROUP LIMITED
REGISTERED NUMBER: 07094575

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2021.

DocuSigned by:

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B Channer
Director

The notes on pages 20 to 46 form part of these financial statements.

DELTA CAPITA GROUP LIMITED
REGISTERED NUMBER: 07094575

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	112,244	-
Investments	15	15,110,386	127,405
		<u>15,222,630</u>	<u>127,405</u>
Current assets			
Debtors	16	381,610	789,006
Cash at bank and in hand	17	1,992,990	528,084
		<u>2,374,600</u>	<u>1,317,090</u>
Creditors: amounts falling due within one year	18	(783,082)	(705,356)
Net current assets		<u>1,591,518</u>	<u>611,734</u>
Creditors: amounts falling due after more than one year	19	(147,113)	-
Net assets		<u><u>16,667,035</u></u>	<u><u>739,139</u></u>
Capital and reserves			
Called up share capital	23	303	103
Share premium account	24	14,233,786	224,998
Share based payment reserve	24	6,421,982	-
Merger reserve	24	4,931,860	-
Profit and loss account brought forward		514,038	473,621
(Loss)/profit for the year		(9,434,934)	40,417
Profit and loss account carried forward		<u>(8,920,896)</u>	<u>514,038</u>
		<u><u>16,667,035</u></u>	<u><u>739,139</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2021.

DocuSigned by:

B-Channer
 Director

The notes on pages 20 to 46 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	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 for the year								
Profit /(loss) for the year	-	-	-	-	(13,309,921)	(13,309,921)	(75,562)	(13,385,483)
Exchange differences on translation of foreign operations	-	-	-	-	(184,457)	(184,457)	-	(184,457)
Transfer on acquisition of non-controlling interests	-	-	-	-	(4,495,464)	(4,495,464)	4,495,464	-
Other comprehensive income for the year	-	-	-	-	(4,679,921)	(4,679,921)	4,495,464	(184,457)
Total comprehensive income for the year	-	-	-	-	(17,989,842)	(17,989,842)	4,419,902	(13,569,940)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(89,351)	(89,351)
Shares issued during the year	200	-	-	-	-	200	-	200
Shares issued during the year	-	14,008,788	-	4,931,860	-	18,940,648	(3,828,554)	15,112,094
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

The notes on pages 20 to 46 form part of these financial statements.

DELTA CAPITA GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2019	100	-	101,565	101,665	(54,721)	46,944
Comprehensive income for the year						
Loss for the year	-	-	(1,834,000)	(1,834,000)	(368,102)	(2,202,102)
Exchange differences on translation of foreign operations	-	-	235,278	235,278	-	235,278
Other comprehensive income for the year	-	-	235,278	235,278	-	235,278
Total comprehensive income for the year	-	-	(1,598,722)	(1,598,722)	(368,102)	(1,966,824)
Dividends: Equity capital	-	-	(77,757)	(77,757)	(79,174)	(156,931)
Shares issued during the year	3	-	-	3	-	3
Shares issued during the year	-	224,998	-	224,998	-	224,998
Total transactions with owners	3	224,998	(77,757)	147,244	(79,174)	68,070
At 31 December 2019	103	224,998	(1,574,914)	(1,349,813)	(501,997)	(1,851,810)

The notes on pages 20 to 46 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 for the year						
Loss for the year	-	-	-	-	(9,434,934)	(9,434,934)
Total comprehensive income for the year	-	-	-	-	(9,434,934)	(9,434,934)
Shares issued during the year	200	-	-	-	-	200
Shares issued during the year	-	14,008,788	-	4,931,860	-	18,940,648
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	303	14,233,786	6,421,982	4,931,860	(8,920,896)	16,667,035

The notes on pages 20 to 46 form part of these financial statements.

DELTA CAPITA GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Share premium account £	Fair value reserve £	Profit and loss account £	Total equity £
At 1 January 2019 (as previously stated)	100	-	1,020,481	487,322	1,507,903
Prior year adjustment	-	-	(1,020,481)	(13,701)	(1,034,182)
At 1 January 2019 (as restated)	100	-	-	473,621	473,721
Comprehensive income for the year					
Profit for the year	-	-	-	40,417	40,417
Total comprehensive income for the year	-	-	-	40,417	40,417
Total transactions with owners					
Shares issued during the year	3	-	-	-	3
Shares issued during the year	-	224,998	-	-	224,998
At 31 December 2019	103	224,998	-	514,038	739,139

The notes on pages 20 to 46 form part of these financial statements.

DELTA CAPITA GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(13,385,483)	(2,202,102)
Adjustments for:		
Amortisation of goodwill	1,260,396	341,674
Depreciation of tangible assets	156,311	128,960
Amortisation of development expenditure	56,122	-
Amortisation of website	7,320	-
Interest expense for discounting of deferred consideration	26,215	-
Taxation charge	188,872	198,473
Decrease/(increase) in debtors	1,138,307	(1,166,453)
(Decrease)/increase in creditors	(3,968,834)	4,647,588
Loss on disposal of tangible fixed assets	9,262	836
Share of operating profit in associates	-	63,900
Corporation tax (paid)	(170,524)	(237,389)
Share based payment expense	6,421,982	-
Exchange differences on translation of foreign operations	(184,457)	235,278
Net cash generated from operating activities	(8,444,511)	2,010,765
Cash flows from investing activities		
Net cash paid on acquisition of subsidiaries	(2,090,105)	(1,025,023)
Purchase of tangible fixed assets	(101,511)	(225,361)
Development expenditure	(1,108,126)	-
Purchase of website	(11,830)	-
Net cash from investing activities	(3,311,572)	(1,250,384)

DELTA CAPITA GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from financing activities		
Issue of ordinary shares	14,008,759	225,001
Drawdown of bank loans	-	200,527
Repayment of bank loans	(200,527)	-
Dividends paid to non controlling interests	(89,351)	(156,931)
Net cash used in financing activities	13,718,881	268,597
Net increase in cash and cash equivalents	1,962,798	1,028,978
Cash and cash equivalents at beginning of year	1,668,361	639,383
Cash and cash equivalents at the end of year	3,631,159	1,668,361
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,631,159	1,668,361
	3,631,159	1,668,361

The notes on pages 20 to 46 form part of these financial statements.

DELTA CAPITA GROUP LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,668,361	1,962,798	3,631,159
Debt due after 1 year	(200,527)	200,527	-
Debt due within 1 year	(692,049)	692,049	-
	<u>775,785</u>	<u>2,855,374</u>	<u>3,631,159</u>

The notes on pages 20 to 46 form part of these financial statements.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 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 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 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.

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. The impact of the COVID-19 pandemic and the ensuing economic uncertainty has been assessed by the Directors who have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. At present the Directors assess that there is minimal impact to the business arising from the COVID-19 pandemic.

Based on the assessment and having regard to the resources available to the group, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the financial statements.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue 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 revenue 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 2020**

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 2020**

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 Statement of financial position 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 Goodwill

The goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquire at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised over a straight line basis to the Statement of comprehensive income over the useful economic life, depending on the individual acquisition, of between three to five years.

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.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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.

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.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

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 Statement of financial position 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.

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.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.22 Financial instruments (continued)

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.

2.23 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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 2020**

4. Turnover

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

	2020 £	2019 £
Rendering of services	19,515,349	19,065,053
	<u>19,515,349</u>	<u>19,065,053</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	11,040,689	13,156,309
Rest of Europe	8,100,365	5,683,418
Rest of the world	374,295	225,326
	<u>19,515,349</u>	<u>19,065,053</u>

5. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Exchange differences	23,252	23,139
Other operating lease rentals	97,520	25,660
	<u>120,772</u>	<u>48,800</u>

6. Auditors' remuneration

	2020 £	2019 £
Auditors remuneration	<u>12,000</u>	<u>9,500</u>
Taxation compliance services	1,700	1,500
All other services	38,700	19,000
	<u>52,400</u>	<u>30,000</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Employees

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

	2020 £	2019 £
Salaries	13,756,706	4,789,196
National insurance	381,409	289,144
Defined contribution pension scheme	186,200	92,668
	<u>14,324,315</u>	<u>5,171,008</u>

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Employees	<u>185</u>	<u>81</u>	<u>3</u>	<u>4</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	237,333	135,300
Company contributions to defined contribution pension schemes	17,111	9,400
	<u>254,444</u>	<u>144,700</u>

During the year retirement benefits were accruing to 2 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £141,333 (2019 - £96,900).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,111 (2019 - £6,200).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Interest receivable

	2020 £	2019 £
Other interest receivable	-	4,060
	<u>-</u>	<u>4,060</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	9,028	25,288
Other loan interest payable	40,670	-
Other interest payable	-	995
	<u>49,698</u>	<u>26,283</u>

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	188,872	222,385
Adjustments in respect of previous periods	-	(17,777)
	<u>188,872</u>	<u>204,608</u>
Total current tax	<u>188,872</u>	<u>204,608</u>
Deferred tax		
Origination and reversal of timing differences	-	(6,135)
Total deferred tax	<u>-</u>	<u>(6,135)</u>
Taxation on profit on ordinary activities	<u>188,872</u>	<u>198,473</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(13,196,611)</u>	<u>(2,003,629)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(2,507,356)	(380,690)
Effects of:		
Disallowed expenditure	131,004	11,718
Capital allowances for year in excess of depreciation	6,365	6,858
Dividends not subject to tax	-	(7,410)
Trading losses carried forward	1,099,207	482,071
Share based payments	1,220,177	-
Adjustments in respect of prior years	-	15,003
Deferred tax	-	(6,136)
Amortisation of goodwill	239,475	64,918
Share of (loss)/profit of associate	-	12,141
Total tax charge for the year	<u><u>188,872</u></u>	<u><u>198,473</u></u>

Factors that may affect future tax charges

No factors which may affect future tax charges identified.

12. Parent company profit for the year

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 loss after tax of the parent Company for the year was £9,434,934 (2019 - *profit £40,417*).

DELTA CAPITA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Intangible assets

Group

	Develop- ment expenditure £	Website £	Goodwill £	Total £
Cost				
At 1 January 2020	-	-	1,025,023	1,025,023
Additions	1,108,126	11,830	4,461,651	5,581,607
Reclassification of associate acquired as a subsidiary	-	-	157,084	157,084
At 31 December 2020	1,108,126	11,830	5,643,758	6,763,714
Amortisation				
At 1 January 2020	-	-	341,674	341,674
Charge for the year	56,122	7,320	1,260,396	1,323,838
At 31 December 2020	56,122	7,320	1,602,070	1,665,512
Net book value				
At 31 December 2020	1,052,004	4,510	4,041,688	5,098,202
At 31 December 2019	-	-	683,349	683,349

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	Develop- ment expenditure £
Cost	
Additions	168,366
At 31 December 2020	<u>168,366</u>
Amortisation	
Charge for the year	56,122
At 31 December 2020	<u>56,122</u>
Net book value	
At 31 December 2020	<u><u>112,244</u></u>
At 31 December 2019	<u><u>-</u></u>

DELTA CAPITA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £
Cost					
At 1 January 2020	21,867	742	537,090	-	123,893
Additions	13,713	-	22,899	4,688	60,211
Disposals	-	-	(24,272)	-	-
At 31 December 2020	35,580	742	535,717	4,688	184,104
Depreciation					
At 1 January 2020	20,483	742	242,621	-	79,630
Charge for the year	1,711	-	116,892	4,476	33,232
Disposals	-	-	(15,010)	-	-
At 31 December 2020	22,194	742	344,503	4,476	112,862
Net book value					
At 31 December 2020	13,386	-	191,214	212	71,242
At 31 December 2019	1,384	-	294,469	-	44,263

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Tangible fixed assets (continued)

	Total £
Cost	
At 1 January 2020	683,592
Additions	101,511
Disposals	(24,272)
At 31 December 2020	<u>760,831</u>
Depreciation	
At 1 January 2020	343,476
Charge for the year	156,311
Disposals	(15,010)
At 31 December 2020	<u>484,777</u>
Net book value	
At 31 December 2020	<u>276,054</u>
At 31 December 2019	<u>340,116</u>

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2020	17,179	742	2,991	20,912
At 31 December 2020	17,179	742	2,991	20,912
Depreciation				
At 1 January 2020	17,179	742	2,991	20,912
At 31 December 2020	17,179	742	2,991	20,912
Net book value				
At 31 December 2020	-	-	-	-
At 31 December 2019	-	-	-	-

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Fixed asset investments**Group**

	Investments in associates £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2020	157,084	110,386	267,470
Reclassification of associate acquired as a subsidiary	(157,084)	-	(157,084)
At 31 December 2020	-	110,386	110,386
Net book value			
At 31 December 2020	-	110,386	110,386
At 31 December 2019	157,084	110,386	267,470

DELTA CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost			
At 1 January 2020	17,019	110,386	127,405
Additions	8,828,089	-	8,828,089
Capital contribution	14,894,656	-	14,894,656
At 31 December 2020	23,739,764	110,386	23,850,150
Impairment			
Charge for the period	8,739,764	-	8,739,764
At 31 December 2020	8,739,764	-	8,739,764
Net book value			
At 31 December 2020	15,000,000	110,386	15,110,386
At 31 December 2019	17,019	110,386	127,405

16. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	1,982,125	2,870,492	-	-
Amounts owed by group undertakings	1,109	-	267,814	719,006
Other debtors	281,508	343,879	4,259	70,000
Prepayments and accrued income	677,644	866,322	109,537	-
Tax recoverable	215,265	-	-	-
	3,157,651	4,080,693	381,610	789,006

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	3,631,159	1,668,361	1,992,990	528,084
	<u>3,631,159</u>	<u>1,668,361</u>	<u>1,992,990</u>	<u>528,084</u>

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	-	167,597	-	-
Other loans	-	500,000	-	500,000
Trade creditors	709,955	2,996,659	25,978	-
Amounts owed to associates	-	251,495	-	-
Corporation tax	234,717	1,104	1,104	1,104
Other taxation and social security	1,747,558	628,875	-	-
Proceeds of factored debts	-	1,638,325	-	-
Other creditors	1,361,417	342,354	649,858	22,452
Accruals and deferred income	2,037,518	2,152,864	106,142	181,800
	<u>6,091,165</u>	<u>8,679,273</u>	<u>783,082</u>	<u>705,356</u>

19. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	-	200,527	-	-
Other creditors	147,113	-	147,113	-
	<u>147,113</u>	<u>200,527</u>	<u>147,113</u>	<u>-</u>

DELTA CAPITA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20. Loans

Analysis of the maturity of loans is given below:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year				
Bank loans	-	167,597	-	-
Other loans	-	500,000	-	500,000
	-	667,597	-	500,000
Amounts falling due 1-2 years				
Bank loans	-	200,527	-	-
	-	200,527	-	-
	-	868,124	-	500,000

21. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
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	6,788,810	5,749,054	17,374,602	1,334,109
	6,899,196	5,859,440	17,484,988	1,444,495
Financial liabilities				
Financial liabilities measured at amortised cost	4,200,760	6,726,936	824,053	523,556

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.

DELTA CAPITA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

22. Deferred taxation**Group**

	2020 £	2019 £
At beginning of year	(11,999)	(18,135)
Charged to profit or loss	-	6,136
At end of year	(11,999)	(11,999)
	Group 2020 £	Group 2019 £
Accelerated capital allowances	(11,999)	(11,999)
	(11,999)	(11,999)

23. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
3,033,847 (2019 - 1,030,000) Ordinary shares of £0.0001 each	303	103

During the year the company issued 2,001,347 ordinary £0.0001 shares with a nominal value of £200 for total consideration of £14,008,988.

DELTA CAPITA GROUP LIMITED

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24. 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.

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.

Merger Reserve

The merger reserve records the fair value for the acquiring subsidiaries equity when consideration is settled through the

Profit and loss account

The reserve is used to record the accumulated distributable profits.

25. Share based payments

During the year the company granted 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 no share options brought forward at the beginning of the period.

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.

30,992 share options were forfeited in the year.

At the year end there were 279,318 share options outstanding of which 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 £24.75.

The expense for the year relating to the share based payments was £6,421,982 (2019: £nil).

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

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26. Business combinations

On 10 March 2020, the group acquired the remaining 61% equity of Delta Capita Managed Services Limited.

On 1 October 2020, the group acquired the entire equity of Voogt Pijl & Partners BV.

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

Acquisition of Delta Capita Managed Services Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Current assets and liabilities	487,398	111,511	598,909
	<u>487,398</u>	<u>111,511</u>	<u>598,909</u>
Total identifiable net assets	<u>487,398</u>	<u>111,511</u>	<u>598,909</u>
Goodwill			2,510,376
Total purchase consideration			<u>3,109,285</u>
Consideration			
			£
Cash			2,135,500
Deferred cash consideration			973,785
Total purchase consideration			<u>3,109,285</u>
Cash outflow on acquisition			
			£
Purchase consideration settled in cash, as above			2,135,500
			<u>2,135,500</u>
Net cash outflow on acquisition			<u>2,135,500</u>

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26. Business combinations (continued)**Acquisition of Voogt Pijl & Partners BV****Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £	Fair value adjustment £	Fair value £
Current assets and liabilities	24,271	-	24,271
	<u>24,271</u>	<u>-</u>	<u>24,271</u>
Total identifiable net assets	<u>24,271</u>	<u>-</u>	<u>24,271</u>

	£
Total identifiable net assets	24,271
Goodwill	1,814,639
Total purchase consideration	<u>1,838,910</u>

	£
Consideration	
Cash	441,350
Deferred cash consideration	294,226
Equity settled	1,103,334
Total purchase consideration	<u>1,838,910</u>

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£

Cash outflow on acquisition

Purchase consideration settled in cash, as above	441,350
	<u>441,350</u>

27. 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 £166,153 (2019 - £92,668).

28. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	150,194	295,800
Later than 1 year and not later than 5 years	-	150,194
	<u>150,194</u>	<u>445,994</u>

29. Transactions with directors

At the year end the group was owed £nil (2019: £42,633) by a director, B J Channer.

30. Subsidiary company audit exemption

The subsidiary Delta Capita Managed Services Limited has taken exemption from audit under section 479A of the Companies Act 2006.

31. Post balance sheet events

In February 2021 the company received a further capital contribution of £5M from its parent company.

On 1 March 2021 Delta Capita Group Limited acquired 100% of the equity of International Compliance Partners B.V. for fixed consideration of €1,916,500 in addition future earn out consideration payments.

On 4 April 2021 the company performed a capital reduction by reducing its share premium account by £1.6M.

On 11 June 2021 the company cancelled 233,040 ordinary shares for consideration of £1,589,716.

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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 the year end is Mr I Rybakov. Prior to this the ultimate controlling party was B J Channer.

33. Subsidiary undertakings

All of the following subsidiary undertakings are held directly by the company:

The following were 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 B.V	Herikerbergweg 181, Vesta Building, 6th Floor, 1101 CN Amsterdam, Netherlands	Ordinary	100%
Delta Capita Pte Limited	7 Straits View, Marina One East Tower, #05-01, Singapore, 018936	Ordinary	100%
Delta Capita (Hong Kong) Limited	28th Floor, AIA Central, 1 Connaught Road, Central Hong Kong	Ordinary	100%
Delta Capita Managed Services Limited	2nd Floor, 40 Bank Street, London, England, E14 5NR	Ordinary	100%
Voogt Pijl & Partners BV	2Herikerbergweg 181, Vesta Building, 6th Floor, 1101 CN Amsterdam, Netherlands	Ordinary	100%

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33. Subsidiary undertakings (continued)

All of the following subsidiary undertakings are held directly by the company: (continued)

The aggregate of the share capital and reserves as at 31 December 2020 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	3,576,885	(11,962,811)
Delta Capita B.V	711,589	606,493
Delta Capita Pte Limited	(1,491,662)	(441,077)
Delta Capita (Hong Kong) Limited	(27,375)	(15,667)
Delta Capita Managed Services Limited	219,944	(182,926)
Voogt Pijl & Partners BV	174,109	177,829