

Registered number: 10391958

AMENDED

DELTA CAPITA MANAGED SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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DELTA CAPITA MANAGED SERVICES LIMITED

COMPANY INFORMATION

Directors	B J Channer D Long
Registered number	10391958
Registered office	2nd Floor 40 Bank Street London E14 5NR
Independent auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU

DELTA CAPITA MANAGED SERVICES LIMITED

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DELTA CAPITA MANAGED SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 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 for the Company'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 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 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 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, amounted to £2,910,600 (2020 - loss £182,926).

No dividends were paid or voted during the year

Directors

The Directors who served during the year were:

M Aldous (resigned 2 November 2021)
B J Channer
D Long

Future developments

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

DELTA CAPITA MANAGED SERVICES LIMITED

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

Disclosure of information to auditor

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

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

Auditor

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditor 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.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

03-Mar-2023 | 17:57 GMT and signed on its behalf.

DocuSigned by:

David Long

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D Long
Director

DELTA CAPITA MANAGED SERVICES LIMITED

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

Opinion

We have audited the financial statements of Delta Capita Managed Services Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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 MANAGED SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELTA CAPITA MANAGED SERVICES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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, 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

DELTA CAPITA MANAGED SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELTA CAPITA MANAGED SERVICES LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

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 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 statements

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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected 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 Auditor's report.

Other matters

The corresponding figures presented in these financial statements were unaudited.

DELTA CAPITA MANAGED SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELTA CAPITA MANAGED SERVICES 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Coverdale

John Coverdale Bsc FCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditors

London, United Kingdom

Date: *3/3/2023*

DELTA CAPITA MANAGED SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	7,214,369	6,170,197
Cost of sales		(8,278,691)	(5,253,923)
Gross (loss)/profit		(1,064,322)	916,274
Administrative expenses		(1,664,210)	(1,099,175)
Share based payments		(182,068)	-
Operating loss		(2,910,600)	(182,901)
Amounts written off investments		-	(25)
Loss before tax		(2,910,600)	(182,926)
Loss for the financial year		(2,910,600)	(182,926)

The notes on pages 11 to 23 form part of these financial statements.

DELTA CAPITA MANAGED SERVICES LIMITED
REGISTERED NUMBER: 10391958

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	8	1,253,131	786,251
Tangible assets	9	1,451	2,896
Investments	10	22,986	22,986
		<u>1,277,568</u>	<u>812,133</u>
Current assets			
Debtors: amounts falling due within one year	11	3,589,974	982,763
Cash at bank and in hand		61,599	71,460
		<u>3,651,573</u>	<u>1,054,223</u>
Creditors: amounts falling due within one year	12	(7,437,729)	(1,646,412)
Net current liabilities		<u>(3,786,156)</u>	<u>(592,189)</u>
Total assets less current liabilities		<u>(2,508,588)</u>	<u>219,944</u>
Net (liabilities)/assets		<u><u>(2,508,588)</u></u>	<u><u>219,944</u></u>
Capital and reserves			
Called up share capital	13	100	100
Share based payment reserve	14	182,068	-
Profit and loss account	14	(2,690,756)	219,844
		<u>(2,508,588)</u>	<u>219,944</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 03-Mar-2023 | 17:57 GMT

DocuSigned by:

 ESAC0CC778DB46B...
D Long
 Director

The notes on pages 11 to 23 form part of these financial statements.

DELTA CAPITA MANAGED SERVICES LIMITED

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

	Called up share capital	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	100	-	219,844	219,944
Comprehensive income for the year				
Loss for the year	-	-	(2,910,600)	(2,910,600)
Equity movement due to share based payment charge	-	182,068	-	182,068
Total comprehensive income for the year	-	182,068	(2,910,600)	(2,728,532)
At 31 December 2021	100	182,068	(2,690,756)	(2,508,588)

The notes on pages 11 to 23 form part of these financial statements.

DELTA CAPITA MANAGED SERVICES LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	100	402,770	402,870
Comprehensive income for the year			
Loss for the year	-	(182,926)	(182,926)
Total comprehensive income for the year	-	(182,926)	(182,926)
At 31 December 2020	100	219,844	219,944

The notes on pages 11 to 23 form part of these financial statements.

DELTA CAPITA MANAGED SERVICES LIMITED

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

1. General information

Delta Capita Managed Services 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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Delta Capita Group Limited as at 31 December 2021 and these financial statements may be obtained from 2nd Floor, 40 Bank Street, London, E14 5NR.

DELTA CAPITA MANAGED SERVICES LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. In the year the Company incurred a loss of £2,910,600 and had net current liabilities of £3,786,156. The losses in the year are within the scope of the Company's business model and the Company remains supported by its parent Company. The Company's cash flow generation going forward is based on its trading activities and Parent Company support which will enable the Company's cash flow to be effectively managed.

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

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

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

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

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

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.

DELTA CAPITA MANAGED SERVICES LIMITED

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

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company 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 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.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

DELTA CAPITA MANAGED SERVICES LIMITED

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

2. Accounting policies (continued)

2.9 Intangible assets

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

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

2.10 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Computer equipment	-	33%
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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.

2.11 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.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 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.

DELTA CAPITA MANAGED SERVICES LIMITED

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

2. Accounting policies (continued)

2.14 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.

2.15 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.

2.16 Financial instruments

The Company 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.

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 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 Company 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.

DELTA CAPITA MANAGED SERVICES LIMITED

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

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

There were no significant judgements made by management nor any key sources of estimation or uncertainty impacting the preparation of these financial statements.

4. Turnover

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

	2021 £	2020 £
Rendering of services	7,214,369	6,170,197
	<u>7,214,369</u>	<u>6,170,197</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	7,214,369	6,170,197
	<u>7,214,369</u>	<u>6,170,197</u>

5. Employees

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

	2021 No.	2020 No.
Office and administration	54	44
	<u>54</u>	<u>44</u>

DELTA CAPITA MANAGED SERVICES LIMITED

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

6. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	215,715	407,825
Company contributions to defined contribution pension schemes	1,696	6,399
	<u>217,411</u>	<u>414,224</u>

During the year retirement benefits were accruing to no Directors (2020 - *NIL*) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £215,715 (2020 - *£NIL*).

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

DELTA CAPITA MANAGED SERVICES LIMITED

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

7. Taxation
Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(2,910,600)</u>	<u>(182,926)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(553,014)	(34,756)
Effects of:		
Expenses not deductible for tax purposes	136	1,491
Capital allowances for year in excess of depreciation	273	(41)
Share based payments	34,593	-
Amortisation of capital expenditure	119,048	-
Unrelieved tax losses carried forward	398,964	33,306
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

DELTA CAPITA MANAGED SERVICES LIMITED

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

8. Intangible assets

	Development expenditure £
Cost	
At 1 January 2021	786,251
Additions - internal	1,093,446
At 31 December 2021	<u>1,879,697</u>
Amortisation	
Charge for the year on owned assets	626,566
At 31 December 2021	<u>626,566</u>
Net book value	
At 31 December 2021	<u><u>1,253,131</u></u>
At 31 December 2020	<u><u>786,251</u></u>

DELTA CAPITA MANAGED SERVICES LIMITED

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

9. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2021	4,335
At 31 December 2021	4,335
Depreciation	
At 1 January 2021	1,439
Charge for the year on owned assets	1,445
At 31 December 2021	2,884
Net book value	
At 31 December 2021	1,451
At 31 December 2020	2,896

10. Fixed asset investments

	Investment in subsidiary company £
Cost	
At 1 January 2021	22,986
At 31 December 2021	22,986

DELTA CAPITA MANAGED SERVICES LIMITED

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11. Debtors

	2021 £	2020 £
Trade debtors	204,750	20,040
Amounts owed by group undertakings	387,232	387,232
Amounts owed by associates	2,861,717	423,151
Other debtors	7,436	7,436
Prepayments and accrued income	128,839	144,904
	<u>3,589,974</u>	<u>982,763</u>

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	26,022	71,817
Amounts owed to group undertakings	5,990,000	-
Other taxation and social security	488,073	520,057
Other creditors	10,743	7,958
Accruals and deferred income	922,891	1,046,580
	<u>7,437,729</u>	<u>1,646,412</u>

13. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100,000 (2020 - 100,000) Ordinary shares of £0.001 each	<u>100</u>	<u>100</u>

14. Reserves**Share based payment**

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

Profit and loss account

The reserve is used to record the accumulated distributable profits.

DELTA CAPITA MANAGED SERVICES LIMITED

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15. Share based payments

During the year the parent company, Delta Capita Group Limited, granted 21,024 share options to employees and service providers of the company which will be settled by the issue of equity in the parent 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.

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

The expense for the year relating to share based payments was £182,068 (2020: £nil).

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

16. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £327,058 (2020 - £327,371).

17. Related party transactions

Delta Capita Limited

Delta Capita Limited holds an associate interest in the company.

At the year end the company was owed the following amounts from Delta Capita Limited:

- Loan balance of £2,861,717 (2020: £423,151)
- Trade debtors of £nil (2020: £nil).

During the year the company received fees from Delta Capita Limited of £5,940,290 (2020: £5,929,104) for services rendered during the year and Delta Capita Limited recharged costs to the company of £2,661,310 (2020: £776,841).

During the year the company paid a dividend of £nil (2020: £nil) to Delta Capita Limited.

DELTA CAPITA MANAGED SERVICES LIMITED

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18. Controlling party

The smallest group of which the company is included in the consolidated financial statements is Delta Capita Group Limited and said financial statements are available from its registered office at 2nd Floor, 40 Bank Street, London, E14 5NR.

The largest group of which the company is included in the consolidated financial statements is 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 was Mr Andrey Yashunsky. Prior to this the ultimate controlling party was Mr I Rybakov.