

Company registration number 09621151 (England and Wales)

QUANTUM FINANCIAL HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



QUANTUM FINANCIAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr F Woodrow Mr G Smith Mr S Strauss
Secretary	Cosec Services Limited
Company number	09621151
Registered office	15 Belgrave Square London SW1X 8PS
Auditor	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ
Business address	15 Belgrave Square London SW1X 8PS

QUANTUM FINANCIAL HOLDINGS LIMITED

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QUANTUM FINANCIAL HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their strategic report for the year ended 31 March 2022.

Fair Review of the Business

The scaling of the business has continued with an end of year headcount increase of 90% across the group, with additional external flexible resource deployed where appropriate and when necessary. This has injected a finely balanced mixture of new skills, youth and maturity across the group, complementing each other and the existing team to drive product and service enhancements which will deliver solutions to compete and indeed lead the market.

The early results of this investment is already noticeable from significant clients being won and positive client feedback.

The post pandemic environment has changed both personal and professional routines for many people and we seek to capitalise on the behaviours which have now ensued and the opportunities this brings. We have increased our social media activity across all active subsidiaries and have witnessed the growth in our visibility across this channel. The active development of our presence in this area stands to reinforce our brands on-line and will only increase further over time.

We are seeing an increase in clients and revenues across the board as we build upon the platform and foundations we have laid to deliver extensive growth in the new era.

Volopa:

The company's focus on its B2B solution continues with a full product roadmap aimed at delivering a best in class corporate solution encompassing easy integration to corporate financial system and making use of certain open banking features, all to provide an enhanced client experience.

This vision and the early delivery of some roadmap items has generated significant client interest, resulting in new business expense management implementations. Although our initial target market remains with SMEs, our solution is entirely scalable and has been deployed into much larger organisations already with feedback highlighting that we are delivering features that major banking organisations are unable to deliver.

Key recruitment into our Product, Sales and Marketing teams as well as Software Development signifies considerable investment aimed at driving product delivery and increased sales whilst for the first time, getting our brand out there through marketing programs delivered in 2022 and carried forward into 2023. Client feedback is extremely positive and we are looking forward to a productive and successful year ahead as we emerge from the covid era.

Tail Offers:

The year brought continued momentum as an external sales team was engaged along with some key internal hires to re-position the business – shifting away from a focus on primarily restaurants pre-pandemic to a more broadly based suite of retailers across multiple categories. This approach aimed at improving the appeal of the offering to strategic partners, consisting of challenger and legacy banks, who have received the technology well - leading to continuing conversations on the deployment of Tail's technology directly to their own substantial customer bases via open banking and through dedicated APIs. Tail's platform is highly configurable which allows retailers to tailor offers targeting both acquisition of and increased engagement with its end customers while allowing strategic partners to deliver a value-added service to its clients to promote their own card products with the objective of becoming top of wallet for client spending. At fiscal year-end, Tail had over 100 national and local retailers live on the platform and had acquired close to 90,000 customers.

QUANTUM FINANCIAL HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Valkyrie:

Valkyrie, the physical and cyber security arm of the business, has experienced a growth in its traditional services (including electronic countermeasures (TSCMI) and penetration testing) as many of our clients get back to more typical operational behaviours following the pandemic.

With key hires and additions to the team we have seen an increase in enquiries relating to cyber-related services. Valkyrie continues to develop its Ambassador Programme, which provides a holistic financial and physical security solutions to highly mobile, ultra-high net worth individuals across the globe. The Ambassador Programme is increasing its userbase, largely through word-of-mouth due to the private and highly confidential nature of these relationships.

Vantage Media:

Vantage Media's primary aims this year were growing the exclusivity of content and client acquisition as we came out of lockdown. Following the total hospitality shutdown through Covid-10 2020-2021, this year we were able to resume printing Tempus Magazine by working closely with our distribution partners – including London's five-star hotels, private members' clubs, and travel hubs such as British Airways Club Lounges – to adapt quickly to changing restrictions. We also maintained the targeted residential distribution established during lockdown to support our readership growth.

We concentrated on exclusive content that was up to the minute and rivalled other titles in the market for brand access. This included interviews with Sir Mo Farah (summer 2021) and Mark Ronson (attached to major watch brands) and, most significantly, a world exclusive photoshoot with the fleet of Aston Martin vehicles featured in James Bond film No Time to Die (September 2021). In collaboration with Aston Martin and EON Productions, and shot at historic Blenheim Palace, this photoshoot was Tempus' most ambitious to date. The issue attained the highest individual issue sales in our 10-year history and the cover was shortlisted for Cover of the Year at the 2022 BSME Awards. We also achieved a nomination for Editor of Year from the BSME Awards 2021. With the hire of a highly qualified digital editor in late 2020, we launched a digital marketing plan designed to increase organic and targeted traffic to www.tempusmagazine.co.uk and its combined social media platforms. This has seen tempusmagazine.co.uk become the UK's only independent daily luxury news website and is achieving 8%-10% month-on-month growth.

Vantage Media hired a Business Development Manager to focus on client acquisition. We worked to identify our market position, core services (publishing and design) and mid-term strategy, launching a dynamic new website that includes our client portfolio (www.vantagemediagroup.co.uk)

We also expanded editorial services by becoming regular contributors to Heesen Yachts magazine, and provided design services to new clients including Sleep by Alexandra and Visit Korea.

Revenue generation and client acquisition will remain the major focus for Vantage and Tempus, as well as building our already significant network of world class contributors and freelance designers in order to expand our offerings in the short to medium term in order to identify growth opportunities.

Oya:

The pandemic brought an unexpected downturn in the remittance volume as reported by the CBN, possibly also caused by the regulatory changes made which may have driven further opportunities in the parallel market.

Also, following the process changes initiated by the Central Bank of Nigeria and our focus on Volopa and Tail, Oya has continued operating in the background. We have been approached by leading banks in Nigeria to partner with them to offer our services and we will select which of these banks to work with alongside our existing partner Wema Bank during the next 12 months.

QUANTUM FINANCIAL HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Principal risks and uncertainties

Our risk management strategy continues to support the successful running of the businesses across the Group by identifying and managing risks to acceptable levels. Key business risks, as noted below, are continually monitored and managed by the senior management teams, who regularly review these systems and report to the Board. Appropriate processes are currently in place to monitor and mitigate risk at every level, while all management teams are committed to constantly reviewing and adapting these processes, to directly meet potential threats and risk to the business.

Operational Risk:

The Group has, to date, been highly successful in attracting senior personnel to new roles. However, the competitive nature of the sectors the group operates in continues to represent a risk, as delays in recruitment of key specialists could impact the speed of delivery in some areas of the business as it moves forward. To mitigate this risk, specialist external recruitment teams have been engaged to ensure, where possible, a constant stream of talent is available to fuel the Group's continued growth.

Rapid expansion across the Group's businesses and the risks this has brought has been managed by the senior management via the Group Steering Committee. The scaling of both Tail and Volopa has progressed well, investing heavily in expanding their teams both vertically and across the horizontal, with a focus on revenue generation to fuel them to financial autonomy. By narrowing the focus and careful forward planning, the management team has minimised the risk of overstretching and has ensured a steady stream of pipeline projects have been delivered, thereby cementing our reputation as one of the UK's leading (fintech) incubators well into the current decade.

Financial risks:

The impact of Brexit remains a general risk to the business, although it is clear that the UK is adjusting to the new regimes and border controls that have undoubtedly affected manufacturing and supply in the near term. The financial services industry has yet to establish the new regulated framework for Europe, but we remain confident that, should European entities become necessary for us to deploy our various technologies to these substantial neighbouring markets, solutions are already being considered to significantly reduce this risk.

Strategic and external risks:

The risk posed by changing technologies, competitor activities, compliance, regulatory and economic environment in which the Group operates remains. However, the agility of the Group and its subsidiary teams will continue to allow it to adapt quickly to change, mitigate risk and look for opportunity created by these very changes.

Reputational risks:

The risk to the Group's reputation will necessarily diversify, spread across a wider userbase accessing services through a number of brands that the Group owns. These brands will themselves carry reputational risk as they develop their activities, both in the domestic markets and abroad. Compliance, enhanced IT security, back-office and infrastructure must keep pace with our rapid growth, so we are able to react to threats while maintaining exceptionally high levels of service, dealing quickly and efficiently to any potential customer complaints.

The risks set out are not exhaustive, and additional risks and uncertainties may arise or become material in the future. The Main Board of Directors, supported by the management teams in each of its subsidiaries, monitors these risks and uncertainties continuously, and remain committed to improving and enhancing systems and services directly designed to meet the reputational risk that exists across the Group.

QUANTUM FINANCIAL HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Development and performance

Creative solutions designed to meet specific client requirements remains a key differentiator across the Group. We continue to see combinations of core capabilities coming together to deliver unique hybrid products, drive innovation and deliver economies of scale. The recent recruitment drive has enabled the Group to seek specialist hire capability to fill key strategic roles, with individuals with proven track records boosting our teams and allowing existing members to focus on their core competencies, adding to the success of the Group.

Opportunities created for crypto-currencies and blockchain technology continue to fuel innovative thinking, and while much risk still exists in these areas, attitudes in regulatory bodies and leading banks show this to be a maturing environment that we will continue to monitor closely and explore opportunities. The addition of an e-money licence remains high on our plans. More work than expected was required to submit our application and combined with the delays at the FCA this is now projected for Q1 2023. Once achieved, this will enable us to exploit and develop these new technologies to strengthen our own core value proposition.

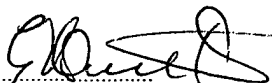
Advances in cyber security techniques continue to evolve rapidly. Development and training go hand in hand to ensure that relevant staff have what they need to maintain their prime position in this market. Valkyrie remains committed to strengthening its own internal capabilities and to project this strength, internally across the Group and externally, increasing its client base through this and other initiatives driving its own business objectives.

Key performance indicators

With the addition of new senior management teams focused on scaling their respective businesses, new financial modelling has been developed by our finance teams that clearly identify new, exciting, and achievable milestones. Manageable milestones developing realistic KPIs will continue to drive the success of each Group member, as these teams scale each subsidiary focusing on customer acquisition and revenue generation. The consolidated modelling (combining each individual subsidiary's detailed cashflow projections) supports our clear roadmap and understanding of the Group's full potential. Strong performance to date continues to drive interest and investment from external investors as well as existing shareholders, cementing our current trajectory.

We remain committed to maintaining this approach and continuing to support each subsidiary and their specialist management teams to realise their full potential, which will, in turn, continue to drive the Group's collective success.

On behalf of the board



Mr G Smith
Director

Date: 21/12/22

QUANTUM FINANCIAL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company and group continued to be that of financial services, other financial intermediation and the holding of such entities.

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr F Woodrow
Mr G Smith
Mr S Strauss

Auditor

In accordance with the company's articles, a resolution proposing that Gerald Edelman LLP be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Going concern

The financial statements have been prepared on the assumption that the group and parent company are a going concern. At the balance sheet date, the group had net current liabilities of £3,712,495 (2021: £295,010). The company meets its day to day working capital requirements through operating cash flows and through the financial support provided by its shareholders. The group directors have indicated that they intend to seek further financial support from existing and new shareholders, as they have done in the past, in order to provide the necessary finance. The ultimate parent company directors have indicated that funding has been secured at the date of signing this report.

Having reviewed the group's financial forecast and continued financial support through additional funding arrangements already in place, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of approval of these financial statements.

Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 March 2022.

Public Disclosures

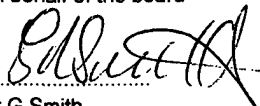
Full details of disclosure requirements as required under Chapter 8 of the Financial Conduct Authority's Prudential Sourcebook for MiFID Investment Firms can be found in the financial statements of Volopa Capital Limited (Company number 07363659), a subsidiary company, for which financial statements are available at the registrar of companies.

QUANTUM FINANCIAL HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

On behalf of the board



Mr G Smith
Director

Date: 21/12/22

QUANTUM FINANCIAL HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

QUANTUM FINANCIAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF QUANTUM FINANCIAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Quantum Financial Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

QUANTUM FINANCIAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF QUANTUM FINANCIAL HOLDINGS LIMITED

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the year ended 31 March 2022.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals; fraudulent expenses.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act 2006, tax legislation, data protection, anti-bribery, employment, health and safety.

QUANTUM FINANCIAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF QUANTUM FINANCIAL HOLDINGS LIMITED

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Auditing the risk of management override of controls, including through testing journal entries for appropriateness.
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing correspondence with HMRC and the FCA.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors of the company.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hemen Doshi FCCA (Senior Statutory Auditor)
For and on behalf of Gerald Edelman LLP

Date: 21/12/2022

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

QUANTUM FINANCIAL HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	529,577	370,754
Cost of sales		(822,710)	(530,412)
Gross loss		(293,133)	(159,658)
Administrative expenses		(3,951,480)	(2,769,596)
Other operating income		100,016	354,240
Operating loss	4	(4,144,597)	(2,575,014)
Share of profits of associates		-	33,246
Interest receivable and similar income	7	1,746	6,875
Interest payable and similar expenses	8	(287,974)	(181,247)
Loss before taxation		(4,430,825)	(2,716,140)
Tax on loss	9	123,513	184,107
Loss for the financial year		(4,307,312)	(2,532,033)
Loss for the financial year is attributable to:			
- Owners of the parent company		(3,570,478)	(2,086,048)
- Non-controlling interests		(736,834)	(445,985)
		(4,307,312)	(2,532,033)
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(3,570,478)	(2,086,048)
- Non-controlling interests		(736,834)	(445,985)
		(4,307,312)	(2,532,033)

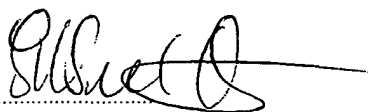
QUANTUM FINANCIAL HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
Fixed assets			
Goodwill	10	2,804,926	3,363,610
Other intangible assets	10	537,333	612,831
Total intangible assets		3,342,259	3,976,441
Tangible assets	11	73,104	84,218
Investments	12	1,497,000	1,497,000
		4,912,363	5,557,659
Current assets			
Stocks	14	23,450	25,747
Debtors	15	714,166	834,885
Cash at bank and in hand		331,112	1,365,149
		1,068,728	2,225,781
Creditors: amounts falling due within one year	16	(4,781,223)	(2,520,791)
Net current liabilities		(3,712,495)	(295,010)
Total assets less current liabilities		1,199,868	5,262,649
Creditors: amounts falling due after more than one year	17	(5,476,926)	(5,232,395)
Net (liabilities)/assets		(4,277,058)	30,254
Capital and reserves			
Called up share capital	21	1,349	1,349
Share premium account		6,932,613	6,932,613
Other reserves		2,703,962	2,703,962
Profit and loss reserves		(14,239,249)	(10,668,771)
Equity attributable to owners of the parent company		(4,601,325)	(1,030,847)
Non-controlling interests		324,267	1,061,101
		(4,277,058)	30,254

The financial statements were approved by the board of directors and authorised for issue on 21/12/22 and are signed on its behalf by:



Mr G Smith
Director

QUANTUM FINANCIAL HOLDINGS LIMITED

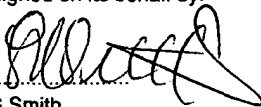
COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	10		61,137		62,375
Tangible assets	11		488		-
Investments	12		8,900,429		8,900,429
			<u>8,962,054</u>		<u>8,962,804</u>
Current assets					
Debtors	15	5,004,441		2,666,272	
Cash at bank and in hand		4,506		656,958	
		<u>5,008,947</u>		<u>3,323,230</u>	
Creditors: amounts falling due within one year	16	(3,060,869)		(1,222,085)	
Net current assets			<u>1,948,078</u>		<u>2,101,145</u>
Total assets less current liabilities			<u>10,910,132</u>		<u>11,063,949</u>
Creditors: amounts falling due after more than one year	17		(5,441,093)		(5,136,601)
Net assets			<u>5,469,039</u>		<u>5,927,348</u>
Capital and reserves					
Called up share capital	21		1,349		1,349
Share premium account			6,932,613		6,932,613
Profit and loss reserves			(1,464,923)		(1,006,614)
Total equity			<u>5,469,039</u>		<u>5,927,348</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £458,309 (2021 - £266,157 loss).

The financial statements were approved by the board of directors and authorised for issue on 21/12/22 and are signed on its behalf by:


 Mr G Smith
 Director

Company registration number 09621151 (England and Wales)

QUANTUM FINANCIAL HOLDINGS LIMITED

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

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 April 2020		1,296	3,799,516	2,703,962	(7,670,734)	(1,165,960)	1,532,162	366,202
Year ended 31 March 2021:								
Loss and total comprehensive income for the year		-	-	-	(2,086,048)	(2,086,048)	(445,985)	(2,532,033)
Issue of share capital	21	53	-	-	-	53	-	53
Transfers		-	-	-	(4)	(4)	-	(4)
Purchase of shares in subsidiary from non-controlling interest		-	-	-	(911,985)	(911,985)	(25,076)	(937,061)
Other movements		-	3,133,097	-	-	3,133,097	-	3,133,097
Balance at 31 March 2021		1,349	6,932,613	2,703,962	(10,668,771)	(1,030,847)	1,061,101	30,254
Year ended 31 March 2022:								
Loss and total comprehensive income for the year		-	-	-	(3,570,478)	(3,570,478)	(736,834)	(4,307,312)
Balance at 31 March 2022		1,349	6,932,613	2,703,962	(14,239,249)	(4,601,325)	324,267	(4,277,058)

QUANTUM FINANCIAL HOLDINGS LIMITED

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

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2020		1,296	3,799,516	(740,456)	3,060,356
Year ended 31 March 2021:					
Loss and total comprehensive income for the year		-	-	(266,158)	(266,158)
Issue of share capital	21	53	-	-	53
Other movements		-	3,133,097	-	3,133,097
Balance at 31 March 2021		1,349	6,932,613	(1,006,614)	5,927,348
Year ended 31 March 2022:					
Loss and total comprehensive income for the year		-	-	(458,309)	(458,309)
Balance at 31 March 2022		1,349	6,932,613	(1,464,923)	5,469,039

QUANTUM FINANCIAL HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	24	(990,589)		(2,147,920)	
Interest paid		(287,974)		(181,247)	
Income taxes refunded		185,137		100	
Net cash outflow from operating activities		(1,093,426)		(2,329,067)	
Investing activities					
Cash acquired on purchase of business		-		21,042	
Purchase of intangible assets		(157,177)		(213,935)	
Proceeds on disposal of investments		69,300		-	
Purchase of tangible fixed assets		(31,971)		(2,226)	
Proceeds on disposal of tangible fixed assets		-		1,559	
Proceeds on disposal of subsidiaries		-		(8,195)	
Purchase of investments		-		(1,497,000)	
Interest received		1,746		6,875	
Net cash used in investing activities		(118,102)		(1,691,880)	
Financing activities					
Proceeds from borrowings		-		5,636,601	
Repayment of borrowings		195,761		(665,507)	
Repayment of bank loans		(6,667)		50,000	
Payment of finance leases obligations		(11,603)		(11,603)	
Net cash generated from financing activities		177,491		5,009,491	
Net (decrease)/increase in cash and cash equivalents		(1,034,037)		988,544	
Cash and cash equivalents at beginning of year		1,365,149		376,605	
Cash and cash equivalents at end of year		331,112		1,365,149	

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Quantum Financial Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 15 Belgrave Square, London, SW1X 8PS.

The group consists of Quantum Financial Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

For the financial year ended 31 March 2022, Vantage Media Limited (company number 11617616), a subsidiary company, is entitled to exemption from audit of their individual accounts from the parent company guarantee provided by Quantum Financial Holdings Limited under section 479A of Companies Act 2006.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Quantum Financial Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

The financial statements have been prepared on the assumption that the group and parent company are a going concern. At the balance sheet date, the group had net current liabilities of £3,712,495 (2021: £295,010). The company meets its day to day working capital requirements through operating cash flows and through the financial support provided by its shareholders. The group directors have indicated that they intend to seek further financial support from existing and new shareholders, as they have done in the past, in order to provide the necessary finance. The ultimate parent company directors have indicated that funding has been secured at the date of signing this report.

Having reviewed the group's financial forecast and continued financial support through additional funding arrangements already in place, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of approval of these financial statements.

Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 March 2022.

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Software	20% straight line
Development costs	20% straight line
Intellectual property	10% straight line

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Plant and equipment	33.3% straight line
Fixtures and fittings	33.3% - 100% straight line
Computers	25% - 100% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.15 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.16 Taxation

The tax credit represents the sum of the tax currently repayable and deferred tax.

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Current tax

The tax currently repayable is based on taxable loss for the year. Taxable loss differs from net loss as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.19 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Financial services and other financial intermediation	195,334	113,850
Other income	-	3,000
Counter measure, cyber security and other consultancy	158,446	83,020
Investigations and surveillance	100,595	170,884
Advertising and co-branding	75,202	-
	<u>529,577</u>	<u>370,754</u>
	2022	2021
	£	£
Other revenue		
Interest income	1,746	6,875
Income from sale of domain	50,000	-
Grants received	<u>50,016</u>	<u>354,240</u>

The turnover is derived from the principal activities of the group, wholly undertaken in the UK.

During the year, the group received grants from HMRC under the CJRS (Coronavirus Job Retention Scheme) totalling £50,016 (2021: £353,302).

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(929)	(614)
Research and development costs	1,299	-
Government grants	(50,016)	(354,240)
Depreciation of owned tangible fixed assets	43,085	40,395
Profit on disposal of tangible fixed assets	-	(390)
Amortisation of intangible assets	626,420	624,083
Loss on disposal of investments	95,640	-
Operating lease charges	145,042	5,260
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	10,225	3,000
Audit of the financial statements of the company's subsidiaries	29,000	28,275
	<u>39,225</u>	<u>31,275</u>
For other services		
Audit-related assurance services	5,500	5,450
Taxation compliance services	5,400	4,850
All other non-audit services	8,850	8,425
	<u>19,750</u>	<u>18,725</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Sales	8	14	-	-
Administrative	3	3	-	-
Operations	20	20	-	1
Developers	3	3	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	34	40	-	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,953,557	1,324,803	-	-
Social security costs	225,768	148,341	-	-
Pension costs	11,311	8,390	-	-
	<u>2,190,636</u>	<u>1,481,534</u>	<u>-</u>	<u>-</u>

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	36	18
Other interest income	1,710	6,857
	<u>1,746</u>	<u>6,875</u>

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	99,776	21,887
Interest on finance leases and hire purchase contracts	1,073	821
Other interest	187,125	158,539
	<u>287,974</u>	<u>181,247</u>

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	(123,513)	(64,796)
Adjustments in respect of prior periods	-	(119,311)
	<u>(123,513)</u>	<u>(184,107)</u>

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(4,430,825)	(2,716,140)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(841,857)	(516,067)
Tax effect of expenses that are not deductible in determining taxable profit	130,018	19,293
Tax effect of income not taxable in determining taxable profit	(325)	(2,216)
Tax effect of utilisation of tax losses not previously recognised	-	(6,701)
Unutilised tax losses carried forward	589,635	407,754
Adjustments in respect of prior years	-	(119,311)
Group relief	-	(130)
Permanent capital allowances in excess of depreciation	(3,088)	(293)
Depreciation on assets not qualifying for tax allowances	6,075	18,572
Amortisation on assets not qualifying for tax allowances	119,542	79,174
Research and development tax credit	(123,513)	(64,796)
Tax at marginal rate	-	614
Taxation credit	(123,513)	(184,107)

10 Intangible fixed assets

Group	Goodwill £	Software £	Development costs £	Intellectual property £	Total £
Cost					
At 1 April 2021	3,960,516	1,318,137	13,747	62,375	5,354,775
Additions	-	131,897	-	25,280	157,177
Elimination on disposal	(164,939)	-	-	-	(164,939)
At 31 March 2022	3,795,577	1,450,034	13,747	87,655	5,347,013
Amortisation and impairment					
At 1 April 2021	596,906	778,679	2,749	-	1,378,334
Amortisation charged for the year	393,745	223,632	2,749	6,294	626,420
At 31 March 2022	990,651	1,002,311	5,498	6,294	2,004,754
Carrying amount					
At 31 March 2022	2,804,926	447,723	8,249	81,361	3,342,259
At 31 March 2021	3,363,610	539,458	10,998	62,375	3,976,441

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Intangible fixed assets

(Continued)

Company	Intellectual property £
Cost	
At 1 April 2021 and 31 March 2022	62,375
Amortisation and impairment	
At 1 April 2021	-
Amortisation charged for the year	1,238
At 31 March 2022	1,238
Carrying amount	
At 31 March 2022	61,137
At 31 March 2021	62,375

11 Tangible fixed assets

Group	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2021	8,707	5,522	167,053	41,571	222,853
Additions	-	6,132	25,839	-	31,971
At 31 March 2022	8,707	11,654	192,892	41,571	254,824
Depreciation and impairment					
At 1 April 2021	5,238	4,136	106,877	22,384	138,635
Depreciation charged in the year	596	2,915	20,387	19,187	43,085
At 31 March 2022	5,834	7,051	127,264	41,571	181,720
Carrying amount					
At 31 March 2022	2,873	4,603	65,628	-	73,104
At 31 March 2021	3,469	1,386	60,176	19,187	84,218

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets (Continued)

Company	Computers £
Cost	
At 1 April 2021	-
Additions	728
At 31 March 2022	728
Depreciation and impairment	
At 1 April 2021	-
Depreciation charged in the year	240
At 31 March 2022	240
Carrying amount	
At 31 March 2022	488

Included within motor vehicles are assets under hire purchase contracts with a net book value of £NIL (2021: £19,187).

12 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	13	-	-	7,403,429	7,403,429
Investment in participating interests		1,497,000	1,497,000	1,497,000	1,497,000
		<u>1,497,000</u>	<u>1,497,000</u>	<u>8,900,429</u>	<u>8,900,429</u>

Movements in fixed asset investments

Group	Investment in participating interests £
Cost or valuation	
At 1 April 2021 and 31 March 2022	1,497,000
Carrying amount	
At 31 March 2022	1,497,000
At 31 March 2021	1,497,000

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

	Shares in subsidiaries	Investment in participating interests	Total
	£	£	£
Cost or valuation			
At 1 April 2021 and 31 March 2022	7,403,429	1,497,000	8,900,429
Carrying amount			
At 31 March 2022	7,403,429	1,497,000	8,900,429
At 31 March 2021	7,403,429	1,497,000	8,900,429

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Volopa Holdings Limited	England & Wales	Ordinary	76.68	-
Volocoin Limited	England & Wales	Ordinary	-	76.68
Volopa Group Limited	England & Wales	Ordinary	-	76.68
Volopa Lifestyle Limited	England & Wales	Ordinary	-	57.59
Volopa Media Limited	England & Wales	Ordinary	-	76.68
Volopa Bullion Limited	England & Wales	Ordinary	-	76.68
Volopa Financial Services Limited	England & Wales	Ordinary	-	76.68
Volopa Financial Services (Scotland) Limited	England & Wales	Ordinary	-	76.68
Volopa Capital Limited	England & Wales	Ordinary	-	67.87
Volopay Limited	England & Wales	Ordinary	-	41.48
Vantage Media Limited	England & Wales	Ordinary	100.00	-
Valkyrie (GB) Limited	England & Wales	Ordinary	63.10	-
Valkyrie Technical Surveillance Limited	England & Wales	Ordinary	-	63.10
Valkyrie Technical Innovation Limited	England & Wales	Ordinary	-	63.10
ABM Datacomms (UK) Limited	England & Wales	Ordinary	-	63.10
Tail Offers Ltd	England & Wales	Ordinary	100.00	-

14 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	23,450	25,747	-	-

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	145,462	25,510	-	-
Corporation tax recoverable	123,513	184,107	-	-
Amounts owed by group undertakings	-	-	4,908,682	2,589,470
Other debtors	205,604	131,998	30,193	10,837
Prepayments and accrued income	183,596	432,768	9,575	5,463
	<u>658,175</u>	<u>774,383</u>	<u>4,948,450</u>	<u>2,605,770</u>
Amounts falling due after more than one year:				
Other debtors	<u>55,991</u>	<u>60,502</u>	<u>55,991</u>	<u>60,502</u>
Total debtors	<u>714,166</u>	<u>834,885</u>	<u>5,004,441</u>	<u>2,666,272</u>

16 Creditors: amounts falling due within one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans	18	10,000	6,667	-	-
Obligations under finance leases	19	39,961	11,603	-	-
Other borrowings	18	115,742	214,472	67,976	-
Trade creditors		528,818	247,627	78,182	11,098
Amounts owed to group undertakings		-	-	959,526	952,004
Corporation tax payable		1,130	100	1,030	-
Other taxation and social security		469,813	283,845	-	-
Other creditors		3,501,434	1,619,773	1,936,966	235,383
Accruals and deferred income		114,325	136,704	17,189	23,600
		<u>4,781,223</u>	<u>2,520,791</u>	<u>3,060,869</u>	<u>1,222,085</u>

17 Creditors: amounts falling due after more than one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans and overdrafts	18	33,333	43,333	-	-
Obligations under finance leases	19	-	39,961	-	-
Other borrowings	18	5,443,593	5,149,101	5,441,093	5,136,601
		<u>5,476,926</u>	<u>5,232,395</u>	<u>5,441,093</u>	<u>5,136,601</u>

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	43,333	50,000	-	-
Other loans	5,559,335	5,363,573	5,509,069	5,136,601
	<u>5,602,668</u>	<u>5,413,573</u>	<u>5,509,069</u>	<u>5,136,601</u>
Payable within one year	125,742	221,139	67,976	-
Payable after one year	<u>5,476,926</u>	<u>5,192,434</u>	<u>5,441,093</u>	<u>5,136,601</u>

Included within borrowings (within one year) is a loan from Vaalhalla SA with a remaining balance of £47,765. The loan carries an interest at the rate of 7.5% per annum and was fully repaid at the date of the accounts being approved.

Included within borrowings (after one year) is the convertible loan of £5,000,000 received from The Future Fund. The loan is to be fully repaid by 8 February 2024 unless there is a conversion event. Interest is applicable at a rate of 8% per annum, payable on a conversion event.

19 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	39,961	11,603	-	-
In two to five years	-	39,961	-	-
	<u>39,961</u>	<u>51,564</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>11,311</u>	<u>8,390</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary Shares of 1p each	134,923	134,923	1,349	1,349
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

22 Related party transactions

Transactions with related parties

Included in the parent company's own balance sheet are debtors and creditors with subsidiaries which are not wholly owned amounting to £3,561,763 (2021: £1,924,470) and £432,537 (2021: £952,004) respectively.

At the year end, Volopa Group Limited was owed £nil (2021: £250,000) by Vaalhalla SA, a related company. The director and a person with significant control of Vaalhalla SA was the director of Quantum Financial Holdings Limited at the time of transaction.

At the year end, Volopa Holdings Limited has a loan balance of £47,766 (2021: £211,377) payable to Vaalhalla SA. Volopa Holdings Limited paid an interest @7.5% p.a. amounted £7,366 (2021: £20,280) to Vaalhalla SA during the year. The loan is fully repayable to Vaalhalla SA by 31 March 2022.

At the year end, the group owed £1,015,000 (2021: £1,000,000) to Burlingtons Group Limited, a related company. During the year, the group paid interest to Burlingtons Group Limited totalling £92,452 at a rate of 6% per annum.

At the balance sheet date, included within the creditors of Valkyrie GB Limited is an amount of £58,408 (2021: £58,438) owed to Vaalhalla SA.

At the balance sheet date, included within group creditors is an amount of £1,563,966 (2021: £412,383) owed to Quantum Settlements Limited, a related company. Vaalhalla SA is the sole owner of Quantum Settlements Limited.

The group has taken advantage of the exemption in paragraph 33.1A within FRS 102 to not disclose transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transactions is wholly-owned by such a member.

23 Controlling party

The ultimate controlling party is F Woodrow, a director of Quantum Financial Holdings Limited and majority shareholder.

QUANTUM FINANCIAL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

24 Cash absorbed by group operations

	2022 £	2021 £
Loss for the year after tax	(4,307,312)	(2,532,033)
Adjustments for:		
Share of results of associates and joint ventures	-	(33,246)
Taxation credited	(123,513)	(184,107)
Finance costs	287,974	181,247
Investment income	(1,746)	(6,875)
Gain on disposal of tangible fixed assets	-	(390)
Loss on disposal of intangible assets	95,640	-
Amortisation and impairment of intangible assets	626,419	624,083
Depreciation and impairment of tangible fixed assets	43,085	40,395
Movements in working capital:		
Decrease in stocks	2,297	7,668
Decrease in debtors	60,126	283,878
Increase/(decrease) in creditors	2,326,441	(528,540)
Cash absorbed by operations	(990,589)	(2,147,920)

25 Analysis of changes in net debt - group

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	1,365,149	(1,034,037)	331,112
Borrowings excluding overdrafts	(5,413,573)	(189,095)	(5,602,668)
Obligations under finance leases	(51,564)	11,603	(39,961)
	(4,099,988)	(1,211,529)	(5,311,517)