VSA CAPITAL GROUP PLC

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 March 2023

Company Registration No. 04918684

VSA CAPITAL AT A GLANCE

International investment banking and broking services to public and private growth companies.

Overview

- Main trading business, VSA Capital Limited, founded in 1989
- 21 Employees
- Over 30 years of Corporate Finance and Broking experience
- Publicly traded on AQSE
- Member of the London Stock Exchange and the Aquis Stock Exchange
- FCA-Regulated
- Partnerships in Africa with Faida Investment Bank (Kenya) and Bravura Holdings (South Africa)
- Longstanding relationships in Asia and USA
- 2 Offices: London and Shanghai

Highlights

- Turnover of £4.36m (previous year £3.61m), underlying profit of £0.61m (previous year £0.40m)
- Cash at year end £1.27m (previous year £2.01m)
- Retained Corporate Clients of VSA Capital Limited 24 (2022: 24)

Investment Banking Advisory and Fundraising

Corporate Finance
- Financial Adviser and Broker to companies on the London Stock Exchange, AIM and Aquis Stock Exchange
- Extensive experience in both buy and sell-side transactions
- Public and private company advisory
- Independent advice to boards and management teams

Corporate Broking, Sales and Research
- Integrated approach to Corporate Finance, Research and Sales
- Long-term relationships with institutional investors, high net worth individuals and family offices
- Deal/non-deal roadshows, investor feedback
- Research: pre-IPO, secondary, deal related, thematic and macro research
- Extensive and diverse research distribution network

Equity and Debt Financing
- Public capital raisings
- Private equity and venture capital financing
- Dual-listings (London Stock Exchange, AIM and Aquis Stock Exchange)
- Royalty financing

M&A Advisory
- Specialist advice and guidance on all aspects of public and private transactions
- Acquisitions and disposals
- Public company takeovers (UK Takeover Code)
- Leveraged Buyouts (LBOs)
- Management Buyouts (MBOs)
- Demergers

Sectors
- Natural Resources
- Transitional Energy and eMobility
- Technology and Software and eCommerce
- Consumer Brands and Leisure

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FOR THE YEAR ENDED 31 MARCH 2023

COMPANY INFORMATION

Directors	Andrew Monk Andrew Raca Marcia Manarin Mark Steeves Ruiwen (Andy) Chen – resigned 20 October 2022
Company Secretary	Marcia Manarin
Company Number	04918684
Registered and Head Office	Park House, 16-18 Finsbury Circus, London, EC2M 7EB
Auditors	Hilden Park Accountants Limited Chartered Accountants and Statutory Auditors Hilden Park House 79 Tonbridge Road Hildenborough Kent TN11 9BH
Registrar	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen B63 3DA
Legal Advisers	Armstrong Teasdale LLP 38-43 Lincoln's Inn Fields London, WC2A 3PE
Bankers	NatWest Bank Plc Parklands, 3 De Havilland Way Horwich, Bolton BL6 4YU

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

I am pleased to present the audited Annual Report and Accounts for VSA Capital Group plc, which is the holding company of the regulated investment banking and broking firm, VSA Capital Limited.

As last year, the results include another tranche of amortisation of £330,770 resulting from a simple restructuring that we undertook on 31 March 2021 and this is expected to repeat for another three years. Once the intangible assets are fully amortised, which we currently anticipate will be in March 2026, our profits will no longer be affected by the amortisation charge on this asset.

In his report our CEO Andrew Monk describes certain very challenging aspects of the market, of which we should all take note. Nevertheless, and especially in such difficult circumstances, the board is pleased with the outcome for the year which reflects further growth and progress for the Group.

Whilst our optimism for the current year remains cautious, reflecting challenging conditions, we are confident as a board that the Group's strategy is robust to continue to build shareholder value.

I pay tribute to my fellow Directors and staff within the Group and also to our clients who trust us as their advisers, as they themselves work to build value for their shareholders in such difficult global conditions.

Mark Steeves
Non-Executive Chairman

Date: 26 June 2023

CEO'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Principal Activity

The principal activities of the Group are the provision of corporate finance advisory, stockbroking, fundraising and research services to both private and public companies.

Review of the Business

On 31 March 2021, in preparation for the IPO of the Company on the Aquis Growth Market, VSA Capital Group plc acquired VSA Capital Limited in a reverse takeover and its results are therefore consolidated into these Group accounts for the second time in the financial statements for the year ended 31 March 2023.

Review of the Year

I am pleased to report a good underlying performance for our year ended 31 March 2023 as the last 12 months have been exceptionally difficult for all players in the equity markets. We achieved a turnover of £4.36m (2022: £3.61m) and an underlying profit of £0.61m (2022: £0.40m).

As explained previously, we regard our underlying profit (profit before tax adding back amortisation) as most pertinent as it is considered by many as a better reflection of how much money is being generated. As the amortisation of intangible assets is a non-cash item, we exclude this when calculating our underlying profit. Cash has decreased this year to £1.273m (March 2022: £2.010m) as the substantial fee for the 'Silverwood Transaction' has been received in equity. We will look to monetise that position at the appropriate time. Because it is a listed company, we have to reflect it by marking to market, regardless of how we think it may perform. Like many of our peer group, we own equity positions in many of our clients, and in this past turbulent year they gave a substantial negative return, which we have to reflect in our Group Statement of Comprehensive Income. However, we hope will regain ground in the current year. Even so our NAV increased by 5% to £4.372m (from £4.162m in March 2022), even after the material amortisation charge.

Our retained clients remained static at 24, although the outlook for the sectors we are involved in looks very promising. Whilst we would have liked to have won a few more clients and will look to do so going forward, I am happy that we have good quality clients which is more important than just the overall number.

Sector Focus

We remain focussed on our core sector expertise of Natural Resources, Transitional Energy, Technology and Consumer/Leisure as we believe these are good sectors for long term growth, although in 2022/23 they proved very challenging. We seek to add value to our corporate clients and provide them with innovative solutions to their corporate, strategic and financing needs.

CEO'S REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2023

Mining as a sector has seen a lack of investment now for about 15 to 20 years. Production across the industry is slowing as demand picks up and so this will result in many commodities facing a 'squeeze' at some stage in the future. Pretty much all experts agree on this, but stock markets are not responding – although inevitably, they must. We are big supporters of Cornish mining but the development of the Southwest region has been slowed by the issues surrounding Tungsten West's Hemerdon mine getting back into production. The Ukraine war and rising costs had a huge impact but as the war continues, the demand for Tungsten (a key part of military ammunition) will increase, and there is a very limited supply outside of China. We have seen good progress made in our Transitional Energy activities, with a particular emphasis on energy storage, and electric mobility. In Technology and Software, we have recruited new members of the team to strengthen our offering and indications are that this will prove to be an important area of growth for us. In Consumer Brands we completed the acquisition of approximately 20% of Lush Cosmetics for Silverwood Brands plc for approximately £216m. This was a complex transaction, and also novel in that it was not technically an RTO under the Aquis Growth Market Rules. As far as we and Silverwood are concerned, the transaction is completed, although we note that as there is an acrimonious relationship between Lush and Silverwood which we hope will abate with the passage of time. There may be speculation as to any further activity. We have recruited an additional research analyst to help our coverage of the Consumer/Brands sector in general.

Transitional Energy as an industry is becoming very strong. The stock market, however, has become impatient with the pace of change. This trend is very similar to the Technology sector back in 2000, when we had the Dot Com crash, but at that time the good companies made good progress, and some became hugely successful. We expect to see a similar pattern developing in Transitional Energy.

Equity Capital Markets

Pension funds have been reducing their exposure to equities now for 20 years but in the last 12 months the 'de-equitisation' of the UK has become extreme and now exposure to equities by pension funds has fallen from about 40% to probably less than 4%. This is untenable for our industry and also untenable for the UK Economy as it deprives UK companies of capital to grow. We are approaching the stage where either the UK gives up on quoted equities or there is a change of stance by the Government to make equities more attractive and the accounting less penal for pension funds. If the latter does occur, then one can be very optimistic, but it certainly cannot be taken for granted and this is why at VSA we continue to tread carefully and keep a tight cost base.

The Aquis Stock Exchange is an important part of our growth strategy as we believe it will be an important and successful challenger stock exchange in the UK. It was not an easy year for Aquis, as many retail platforms are still very slow at offering an electronic service to their customers, but we believe that as demand continues to grow, that they will realise that if they do put in electronic dealing their customers will leave them. We dual listed two companies on the Aquis Growth Market; Guanajuato Silver (from Canada) and Cooks Coffee (from New Zealand). The support for Aquis stocks was further clearly seen by our incredibly successful Aquis Showcase day and the running of the "Britain's Got Aquis" competition. We will be hosting this again this year at the end of November and expect it to be bigger, better and even more exciting.

CEO'S REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2023

We continue to support our corporate clients on AIM and the Main Market of the London Stock Exchange in terms of financial advice, the provision of equity research and fundraisings. We look forward with great interest as to what opportunities will arise as the review of the Main Market takes shape.

International Reach

We have always had a very international approach at VSA, although as we reported last year, we have been unable to really do much with our Shanghai office. Our strategy has always been to support western companies develop their China strategy, whilst also advising on transactions involving Chinese investment or expertise. Despite the difficult geopolitical situation, currently I am hopeful that this year we will be back in China and able to complete transactions as one cannot ignore that it is the second largest economy in the World, and vital to the mining industry. At the same time though, we have been developing more links into the USA and continue to build our relationships in Africa and other parts of the World. In Africa we are working well with our partners in Kenya, Faida Investment Bank, and we have very recently entered into a strategic alliance with Bravura Holdings in South Africa. We have always been proud of the fact that we are not just reliant on London as many of our competitors are. This has also proven useful as we develop our M&A activities.

We are always looking for opportunities at VSA to create shareholder value, which is not easy in an industry which has been in decline. The fact that we have become stronger over the past 5 years, whilst our peer group has weakened, suggests that if the industry does see a recovery, we will be well placed to take advantage of it. We have historically tried many times to become a Nominated Adviser on AIM, as without this ability it has been harder to grow. Unfortunately, we were unsuccessful. The London Stock Exchange has historically made it very difficult to acquire a Nomad firm unless you are already a Nomad. In this last financial year, we saw that potentially being a Nomad is a poison pill due to the fact that you cannot be acquired. We saw with Arden Partners that this caused the value of the business to be effectively zero when Ince acquired it as it was then passed to Zeus Capital for a net zero consideration. The number of Nomad firms has shrunk to a current level of 26 compared to over 70 firms 10 years ago. We believe there may be change as it does appear there will be a shake-up of the rules and approach to the 3 different markets of AIM, the Standard Listing and the Premium listing. We view this as good news and an opportunity for firms with high quality people and capabilities to be more active on the LSE. We have seen the merger of Finncap and Cenkos, and we would expect more mergers to take place. Numis is not merging with Deutsche Bank, but is being acquired as part of consolidation in the sector, and we believe further acquisitions will take place, as bigger banks that felt London was no longer on their radar after Brexit, reconsider as there has not been the anticipated outflow of business across the Channel.

Most of the UK domestic brokers were formed or grew rapidly around the 2000's as many entrepreneurial brokers in their 40's wanted to get away from the rigid structures of big banks. These entrepreneurs are now in their 60's, but one issue they face is that the younger generation now in their 40's no longer want to run or own their own broking business, as they are just not nearly as attractive due to weaker economics and vastly increased regulation. This again is likely to lead to more consolidation or acquisitions.

CEO'S REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2023

Outlook

Last year I said we were cautiously optimistic despite the worsening conditions for global markets that are unlikely to improve for some time. I was right on both points. We expect to report a loss at the interim stage. This is due to our year end being March and as the three quietest months in our industry - April, July and August - all fall in our first half. Nevertheless this year, I am slightly more cautious but remain optimistic as we head towards 2024 as we have a good client base and are engaged on a broad range of strategic advisory, M&A and fundraising mandates. Our Position in Transitional Energy is also attracting a lot of attention particularly in the USA and Asia and we expect some major developments in the future.

We can but hope that a clearer global picture emerges which has been clouded in the last three years by Covid, the Ukraine war, global political tension, inflation at record levels, an energy crisis, and interest rates going up substantially. Let's hope that not much more will be thrown at us! Whatever happens, we are in good shape with a great team.

Andrew Monk
CEO

Date: 26 June 2023

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their report and the audited financial statements of the Group for the year ended 31 March 2023.

Directors

The following Directors have held office during the year.

Andrew Monk
Andrew Raca
Marcia Manarin
Mark Steeves
Ruiwen (Andy) Chen – resigned 20 October 2022

The interests of the Directors and their immediate families is as follows:

Name	Number of Ordinary Shares held	Percentage of Issued Share Capital	Options and Warrants held	Potential fully diluted number of Ordinary Shares	Potential percentage of fully diluted share capital
Andrew Anthony Monk	3,847,600	19.8	3,234,300	7,081,900	23.2
Andrew Joseph Raca	998,700	5.1	3,877,200	4,875,900	16.1
Marcia Coelho Manarin	Nil	Nil	728,600	728,600	2.1
Mark David Crawford Steeves	Nil	Nil	332,200	332,200	1.1
Ruiwen (Andy) Chen	40,000	0.2	289,300	329,300	1.1

The table above details the interest of the Directors in the share capital of the Company at the date of this report. The fully diluted holdings provide details of the potential maximum shareholding of the Directors if all issued warrants and options were to be exercised.

Concert Party

As part of the restructuring taken by VSA Capital Group plc prior to IPO on the Aquis Growth Market in September 2021, VSA Capital Limited undertook a reverse takeover of the Company in compliance with the Rules of the UK Takeover Code. This led to the former shareholders of VSA Capital Limited holding 96.3% of the enlarged entity. The transaction was completed on 31 March 2021. VSA Capital Group plc now owns 100% of VSA Capital Limited.

As a consequence, a 'concert party' as defined by the UK Takeover Code technically came into existence and simply comprised a group of shareholders who were 'swept up' into this definition.

In accordance with the UK Takeover Code, VSA Capital therefore has a concert party, consisting of Andrew Monk, Andrew Raca, Basil Shiblaq, Gordon Lawson, Gavin Casey, Lesley Casey, Louise Lawson, Philip Hardy, Wei Chen, Feizhou Zheng, Lee Chong Liang, Teong Tiek Wah, Soon Beng Gee, Ruiwen (Andy) Chen and Jeremy Bridge.

As of the date of this report, as far as can be ascertained by the Directors, the concert party members hold the following interests in the Company's share capital:

DIRECTOR'S REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2023

Concert Party member	Current interest in issued ordinary share capital	% of the issued ordinary share capital	Options and warrants held	Maximum interest in the enlarged issued share capital	Percentage of enlarged issued share capital
Andrew Monk	3,847,600	19.8%	3,234,300	7,081,900	23.2%
Andrew Raca	998,700	5.1%	3,877,200	4,875,900	16.0%
Ruiwen Chen	40,000	0.2%	289,300	329,300	1.1%
Wei Chen	4,433,400	22.8%	-	4,433,400	14.3%
Gavin Casey	3,048,600	15.7%	-	3,048,600	9.9%
Feizhou Zheng	1,083,700	5.6%	-	1,083,700	3.5%
Basil Shiblaq	550,900	2.8%	-	550,900	1.8%
Lee Chong Liang	295,500	1.5%	-	295,500	1.0%
Teong Tiek Wah	295,500	1.5%	-	295,500	1.0%
Soon Beng Gee	295,500	1.5%	-	295,500	1.0%
Gordon Lawson	184,300	0.9%	-	184,300	0.6%
Louise Lawson	184,300	0.9%	-	184,300	0.6%
Philip Hardy	184,700	1.0%	-	184,700	0.6%
Jeremy Bridge	46,900	0.2%	-	46,900	0.2%
Total	**15,489,600**	**79.8%**	**7,400,800**	**22,890,400**	**74.8%**

The concert party's net aggregate holding currently amounts to 79.8% of the issued share capital of the Company.

Directors' Responsibilities for the Financial Statements

The Directors are responsible for preparing the Directors' report, the strategic 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 International Financial Reporting Standards ("IFRSs") as adopted by the United Kingdom. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of affairs of the Group and the 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 estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the United Kingdom have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records that are sufficient to show and explain the company's transactions and which disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and hence for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTOR'S REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2023

Strategic Report

Information required to be included in the Directors' Report has been set out instead in the Strategic Report. This includes principal risks and uncertainties and future developments contained in the review of the business.

Financial Risk Management and Objectives

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising returns to shareholders. The credit risk on accounts receivable is monitored by senior management. To limit exposure to credit risk, most engagements require that fees are paid during activity being undertaken and on successful completion.

Ultimate responsibility for liquidity risk management rests with the board of Directors, which has devised an appropriate strategy for liquidity risk management. The Company manages its liquidity risk by maintaining adequate reserves and cash resources to meet its day-to-day requirements. The Group's exposure to market price risk mainly arises from potential movements in the fair value of its investments. The management meets regularly to consider investment strategy in respect of the Group's portfolio.

Statement of Disclosure to Auditors

The Directors, who were members of the Board at the time of approving the Directors' Report, are listed on page 10 and confirm that:

- to the best of each Director's knowledge and belief, there is no relevant audit information (information needed by the Group's auditors in connection with preparing their report) of which the Company's auditors are unaware; and

- each Director has taken all steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

Hilden Park Accountants Limited has expressed its willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By Order of the Board

Andrew Monk
Director

Date: 26 June 2023

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Review of business

The principal activity and review of the business is included in the CEO's report on page 6.

Review of the year

The review of the year is described in detail in the CEO's report on pages 6 to 9.

Key performance indicators

Reported (accounting) profit
Year ended 31 March

Underlying Profits
£611,531 after adding back amortisation of £330,770 (2022: £399,144 after adding back amortisation of £330,770)

Cash
£1.27m (2022: £2.01m)

Retained Corporate Clients
24 (24 clients of VSA Capital Limited) which is unchanged from 2022

Principal risks and uncertainties

The principal area of risk is reduced gross revenue due to market conditions or lack of engagement mandates. New business risk is managed by market research into new client base opportunities and building relationships alongside existing contacts to spread the capacity of the company to provide its services.

VSA services the energy sector and concentration of risk is a consideration for senior management. Within this sector, VSA offers diversified services and hopes to mitigate its specific concentration risks to an acceptable level taking into account energy sub sectors (i.e. transitional energy) and geographical and geo-political concentration. VSA as part of its strategic and business plans started to diversify and now also operates in the TMT sector. The receivables position is another risk factor which is monitored weekly to ensure that payments are received on time. Investments are another risk factor where MTM (mark to market) affects profitability and losses can impact cashflow when shares are disposed of; position is monitored regularly and VSA's policy is to dispose of investments whenever feasible in order to minimise exposure as much as possible.

Any economic or political factors either domestically or internationally are regularly monitored and their impact is deliberated at a senior level prior to committing VSA to any risk exposure. VSA Capital does not engage with companies domiciled or operating assets in countries subject to sanctions by the UK. Due Diligence includes a review of the shareholder register checked against current OFAC HM Treasury Sanctions Lists.

STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2023

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The board of Directors of VSA Capital Group plc consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and members set out in s172(1)(a-f) of the act) in the decisions taken during the year ended 31 March 2023.

Dividends

No dividends were declared during the period under review.

Going Concern

After making appropriate enquiries, the Directors consider, at the time of approving the financial statements, the Company has the resources and the pipeline of business to continue in operational existence for the foreseeable future. As a result of this view, the going concern basis has been adopted in preparing the financial statements.

On behalf of the Board

Andrew Monk
CEO

Date: 26 June 2023

REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF VSA CAPITAL GROUP PLC
FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of VSA Capital Group plc (the Group and the Company) for the year ended 31 March 2023 which comprise the Group statement of comprehensive income, the Group and company balance sheets, the Group statement of changes in equity, the Group and Company cash flow statements, the notes to the cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards (IFRSs).

In our opinion the financial statements:

- give a true and fair view of the state of the Group and the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by United Kingdom; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

REPORT OF THE INDEPENDENT AUDITORS - continued
TO THE SHAREHOLDERS OF VSA CAPITAL GROUP PLC
FOR THE YEAR ENDED 31 MARCH 2023

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

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

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

REPORT OF THE INDEPENDENT AUDITORS - continued
TO THE SHAREHOLDERS OF VSA CAPITAL GROUP PLC
FOR THE YEAR ENDED 31 MARCH 2023

Our 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.

Extent to which our procedures are capable of detecting irregularities, including fraud:

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. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud was as follows:

- 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;
- We identified the laws and regulations applicable to the group and company through discussions with Directors and other management, and from our commercial knowledge and experience of the sector in which the group and company operates;
- We focused on specific laws and regulations which we considered may have a direct impact material effect on the financial statements, or the operations of the group and company which included the Companies Act 2006, taxation legislation, data protection regulations including General Data Protections Regulations (GDPR), employment, environmental, health and safety legislation and Financial Conduct Authority (FCA) regulations;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to involve the completeness and timing of income recognition and the override of controls by management.

To address the risk of fraud in relation to revenue recognition, we:
- Performed detailed substantive testing to address completeness and accuracy of sales;
- Assessed the appropriateness and application of the accounting policy concerning income recognition; and
- Performed detailed cut-off testing either side of the balance sheet date.

REPORT OF THE INDEPENDENT AUDITORS - continued
TO THE SHAREHOLDERS OF VSA CAPITAL GROUP PLC
FOR THE YEAR ENDED 31 MARCH 2023

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

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- Investigated the rationale behind significant or unusual transactions.

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: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Appleton FCCA (Senior Statutory Auditor)
For and on behalf of Hilden Park Accountants Limited
Chartered Accountants & Statutory Auditors
Hilden Park House
79 Tonbridge Road
Hildenborough
Kent
TN11 9BH

Date: 26 June 2023

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023	2022
		£	£
Turnover	4	**4,358,875**	3,605,562
Cost of sales		**(166,179)**	(175,761)
Gross profit		**4,192,696**	3,429,801
Other operating income		**39,000**	34,750
Administrative expenses		**(3,090,564)**	(2,954,406)
Operating Profit		**1,141,132**	510,145
Finance (expenses)/income	9	**(721)**	736
Gains/(losses) on investments		**(859,650)**	(442,507)
Profit on ordinary activities before taxation	5	**280,761**	68,374
Tax on Profit on ordinary activities	10	**(33,218)**	(26,482)
Profit for the year		**247,543**	41,892
Other Comprehensive Income		**-**	-
Total Comprehensive Income		**247,543**	**41,892**

The statement of comprehensive income has been prepared on the basis that all operations in the year ended 31 March 2023 are continuing operations.

There were no discontinued operations during the current financial year.

GROUP AND COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 Group £	2022 Group £	2023 Company £	2022 Company £
ASSETS					
Non-current assets					
Property, plant & equipment - owned	**12**	77,515	107,764	-	-
Property, plant & equipment - right of use	**12**	468,900	645,253	-	-
Intangible assets	**11**	992,311	1,323,081	-	-
Investment in subsidiaries	**13**	-	-	3,873,996	3,873,996
Total non-current assets		1,538,726	2,076,098	3,873,996	3,873,996
Current assets					
Investments	**14**	2,141,416	691,769	6,322	12,716
Trade and other receivables	**15**	381,464	536,932	49,041	1,532
Cash and cash equivalents	**16**	1,273,122	2,010,003	267,292	339,625
Total current assets		3,796,002	3,238,704	322,655	353,873
TOTAL ASSETS		5,334,728	5,314,802	4,196,651	4,227,869
EQUITY AND LIABILITIES					
Share capital	**19**	3,523,547	3,523,547	3,523,547	3,523,547
Share premium	**19**	418,057	418,057	418,057	418,057
Share-based payments reserve	**20**	13,892	51,585	13,892	51,585
Accumulated profits/(losses)		416,637	169,094	214,159	218,990
Total equity		4,372,133	4,162,283	4,169,655	4,212,179
LIABILITIES					
Current liabilities					
Trade and other payables	**17**	529,199	557,408	26,996	15,690
Finance liabilities - borrowings	**18**	216,566	107,623	-	-
Total current liabilities		745,765	665,031	26,996	15,690
Non-current liabilities					
Finance liabilities - borrowings	**18**	216,830	487,488	-	-
TOTAL EQUITY AND LIABILITIES		5,334,728	5,314,802	4,196,651	4,227,869

The financial statements were approved by the Board of Directors on 26 June 2023 and were signed on its behalf by:

Andrew Monk
Director

Andrew Raca
Director

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share Capital	Share Premium	Share based payments reserve	Retained Earnings	Total
	£	£	£	£	£
At 1 April 2022	3,645,260	177,524	25,786	127,202	3,975,772
Total comprehensive income	-	-	-	41,892	41,892
Share issue	12,027	240,533	-	-	252,560
Company purchase of own shares into Treasury	(133,740)	-	-	-	(133,740)
Movement in share based premium reserve	-	-	25,799	-	25,799
At 1 April 2023	**3,523,547**	**418,057**	**51,585**	**169,094**	**4,162,283**
Total Comprehensive Income	-	-	-	247,543	**247,543**
Movement in share based premium reserve	-	-	(37,692)	-	**(37,693)**
At 31 March 2023	**3,523,547**	**418,057**	**13,892**	**416,637**	**4,372,133**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share Capital	Share Premium	Share based payments reserve	Retained Earnings	Total
	£	£	£	£	£
At 1 April 2022	3,645,260	177,524	25,786	127,202	3,975,772
Total comprehensive income	-	-	-	(158,212)	(158,212)
Dividends received	-	-	-	250,000	250,000
Share issue	12,027	240,533	-	-	252,560
Company purchase of own shares into Treasury	(133,740)	-	-	-	(133,740)
Movement in share based premium reserve	-	-	25,799	-	25,799
At 1 April 2023	**3,523,547**	**418,057**	**51,585**	**218,990**	**4,212,179**
Total Comprehensive Income	-	-	-	(4,831)	**(4,831)**
Movement in share based premium reserve	-	-	(37,693)	-	**(37,693)**
At 31 March 2023	**3,523,547**	**418,057**	**13,892**	**214,159**	**4,169,655**

GROUP AND COMPANY CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 Group £	2022 Group £	2023 Company £	2022 Company £
Net cash generated/(used) in operating activities					
Profit / (loss) before income tax		280,761	68,374	(4,831)	(158,212)
Tax paid		-	(19,740)	-	-
Depreciation and amortisation		540,043	521,947	-	-
Loss / (gain) on current asset investments		859,650	438,628	6,394	9,403
Sales settled by shares		(2,277,074)	-	-	-
(Increase)/decrease in trade / other receivables		107,468	(301,565)	(47,509)	112
Increase / (decrease) in trade / other payables		(13,427)	(504,770)	11,306	15,252
Change in share based payments reserve		(37,693)	25,799	(37,693)	25,799
NET CASH (GENERATED)/USED IN OPERATING ACTIVITIES		(540,272)	228,673	(72,333)	(107,646)
Net cash generated from/(used in) investing activities					
Proceeds from disposal of plant, property and equipment		-	212,808	-	-
Purchases of plant, property and equipment		(2,671)	(252,540)	-	-
Proceeds from other investing activities		280,215	210,262	-	57,015
Other investments – additions		(312,437)	(177,167)	-	(3,377)
Dividends received		-	-	-	250,000
NET CASH (GENERATED)/USED IN INVESTING ACTIVITIES		(34,893)	(6,637)	-	303,638
Cash flows from financing activities					
Share capital issue		-	252,560	-	252,560
Purchase of shares into treasury		-	(133,740)	-	(133,740)
Finance lease repayments		(161,716)	(194,638)	-	-
NET CASH GENERATED/(USED) FROM FINANCING ACTIVITIES		(161,716)	(75,818)	-	118,820
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(736,881)	146,218	(72,333)	314,812
Cash and cash equivalents at beginning of period		2,010,003	1,863,785	339,625	24,813
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**16**	1,273,122	2,010,003	267,292	339,625

A prior year adjustment has been made to the cash flow statement to reflect the fact that the tangible fixed asset purchases were not all in cash. The adjustment was to reduce the purchase of tangible fixed assets by £595,111 to £252,540 and the finance lease liability reducing by the same amount to £194,638.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Statutory Information,

VSA Capital Group plc is a public limited company limited by shares, is listed on the Aquis Stock Exchange, is incorporated in the UK and registered in England and Wales (Company Number 04918684). The Company's registered and head office is at Park House, 16-18 Finsbury Circus, London, United Kingdom, EC2M 7EB.

2 Going Concern

The financial statements have been prepared on a going concern basis.

3 Significant Accounting Policies

Basis of preparation
These financial statements have been prepared in accordance with International Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, unless otherwise stated in the financial statements.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

Statement of compliance
The financial statements comply with International Financial Reporting Standards as adopted by the United Kingdom.

No new standards or amendments have materially affected the Group in respect of these financial statements. Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, we are required to make judgments, estimates and assumptions about the carrying amounts 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. Our estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods if the revision affects both current and future periods.

The following are the critical judgments that we have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements presented elsewhere in this annual report.

Impairment of receivables
Provision has been made against debtors for old debts where the Directors believe that the amount due to be received may not be recoverable. The receivable balance provided in the Group balance sheet at 31 March 2023 amounts to £165,367 (2022: £194,311).

Valuation of investments
The majority of the investments in the Balance Sheet relate to listed investments and total £2,141,416 (2022: £691,769). Note 14 to the financial statements shows that these investments are primarily listed investments. The Directors believe that the listed share price is often not a realistic basis for valuing shares that are listed on the Acquis market as the market attracts a relatively small number of potential purchasers especially when large share volumes are concerned and in addition, where VSA Capital Limited are advisors, they are restricted from buying or selling shares for a period of time. The Directors have therefore used their best judgement based on their knowledge of the market and past performance in what is often a complex situation to estimate the value of the investments at the year-end date. If share prices had been used a value of £2,358,217 (2022: £691,769) would have been recorded in the financial statements.

Basis of consolidation
The Group's consolidated financial statements incorporate the financial statements of VSA Capital Group plc (the "Company") and entities controlled by the Company (its subsidiaries). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £4,831 (2022: £158,212).

Revenue recognition
Revenue includes the net profit/loss on principal trading which is recognised when the trade is complete, commission income and other fees which are recognised when the relevant performance obligation is satisfied - for corporate finance work this is usually the date on which a deal is completed - and revenue also includes the fair value of options and warrants over securities which have been received as consideration for corporate finance services rendered and is recognised on completion of the services provided in accordance with the contract. Revenue from Stock Exchange transactions are determined under the principles of trade date accounting. Dividends and interest arising on bull and bear positions in securities form part of dealing profits and, because they are also reflected by movements in market prices, are not identified separately. Interest is recognised on a time-proportion basis using the effective interest method.

The Group also has retained clients where turnover is recognised according to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the duration of the contract with the period in the year that the service was provided.

Revenue is measured at the transaction price, being the fair value of the consideration received or receivable. Payment terms are usually on invoice. Contracts with customers do not contain a financing component nor any element of variable consideration.

Business combinations
The acquisition of subsidiaries is accounted for using the acquisition method under IFRS 3. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal Groups) that are classified as held for resale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities exceed the cost of the business combination, the excess is recognised immediately in the income statement.

Intangible assets
Intangible assets consist of the contracts purchased with acquisition of VSA Capital Limited on 31 March 2021.

Amortisation is recognised using the straight-line basis and results in the carrying amount being expensed in the profit and loss account over the estimated useful life of the contracts which is five years.

Property, plant and equipment
Property, plant and equipment consists of fixtures and fittings and office equipment which are carried under the cost model where the assets are stated at cost less depreciation and accumulated impairment losses.

Right of use assets consist of an office lease which is carried under the cost model. Right of use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. Depreciation starts at the commencement date of the lease.

Depreciation is charged so as to write-off the cost of assets less any residual value, over their estimated useful lives, using the straight-line method, on the following bases:

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

• Short leasehold	over remaining term of lease
• Fixtures and fittings	20% straight line
• Office equipment	33% straight line

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

Financial assets
Investments are recognised and derecognised on trade date. Financial assets are classified into the following specified categories: "financial assets at fair value through profit or loss" (FVTPL), "cash and cash equivalents" and "loans and receivables". The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. Fair value is determined using available quoted market prices and industry accepted valuation techniques.

Financial assets at fair value through profit or loss
Financial assets are held at FVTPL when the financial asset is held for trading or is designated as FVTPL. Such assets are held for trading or are acquired principally for the purpose of selling in the near term and are initially measured at fair value. Subsequently and at each reporting date these investments are measured at their fair values with the resultant gains or losses arising from changes in fair value being taken to profit or loss within investment income. Financial assets at FVTPL include listed securities and options over securities which have been received as consideration for corporate finance services rendered. The Black Scholes method of valuation is used to value options held by the Group.

Trade and other receivables
Trade and other receivables are initially measured at fair value and are subsequently measured at cost less provision for impairment. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of any provision is recognised in profit or loss.

Cash and cash equivalents
Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the original recognition of the financial asset the estimated future cash flows of the investment have been impacted. For loans and receivables the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly.

Financial liabilities and equity instruments
Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs.

Short term borrowings
Short term borrowings are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

Equity
An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Share capital account represents the nominal value of the shares issued.

Retained earnings include all current and prior period results as disclosed in the Statement of Comprehensive Income.

Trade and other payables
Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

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

Taxation
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, based on tax rates and laws that are enacted by the balance sheet date. Income tax is recognised in the income statement unless it relates to items that are credited or charged to equity in which case it is also charged or credited to equity.

Deferred income tax is provided on all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, with the following exceptions:

where the temporary difference arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;

in respect of taxable temporary differences associated with investments in subsidiaries, where the timing reversal of temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future; and

deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Share based payments
Certain employees and Directors of the Group received equity settled remuneration in the form of Company share options. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense to the income statement on a straight-line basis over the vesting period and a corresponding amount is reflected in the profit and loss reserves in shareholders' equity adjusted at each balance sheet date to take into account actual and expected level of vesting. The charge is calculated as being the fair value of the shares or the right to the shares at the date of grant. Fair value is measured using a modified Black-Scholes option pricing model and is based on a reasonable expectation of the extent to which performance criteria will be met.

Foreign currency translation
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

4 Revenue

Segmental reporting
Group Revenue of £4,358,875 (2022: £3,605,562) comprises:

Corporate Finance fees of £3,455,272 (2022: £2,797,340);
Broking fees of £711,950 (2022: £578,069);
Bond trading of £85,212 (2022: £85,462),
Research fees of £102,083 (2022: £138,750); and,
Other income of £4,358 (2022: £5,941).

5 Profit Before Income Tax

	31/3/23	31/3/22
	£	£
Depreciation - owned assets	32,919	18,268
Depreciation - assets on hire purchase contracts	176,354	172,909
Amortisation	330,770	330,770
Auditors' remuneration	50,250	41,500
Foreign Exchange differences	(18,257)	(4,756)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

6 Employees and Directors (Group)

	31/3/23	31/3/22
	£	£
Wages and salaries	1,738,138	1,763,882
Social security costs	223,792	217,903
Other pension costs	32,526	33,926
	1,994,456	2,015,711

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

	31/3/23	31/3/22
Directors	5	5
Corporate finance	6	6
Research and sales	7	9
Account and administration	3	2
	21	22

	31/3/23	31/3/22
	£	£
Directors' remuneration	688,478	633,333
Directors' social security	86,344	81,632
Directors' pension contributions to money purchase schemes	8,471	9,690

The number of Directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	**2**	2

Information regarding the highest paid Director is as follows:

	31/3/23	31/3/22
	£	£
Emoluments etc	**269,276**	237,083
Pension contributions to money purchase schemes	-	1,703

7 Accounting Estimates and Judgements

The preparation of accounts requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of trade receivables
In assessing the recoverability of trade receivables, the Group uses historic performances to estimate likely future cash flows from contractual debt. Assumptions are required to be made about indicators of recoverability and any required provisions.

Fair value of unlisted investments
Unlisted investments are held at fair value. Gains and losses are recognised in the statement of comprehensive income. The price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

8 Employees and Directors

During the year there were no employees in the Company other than the five Directors (2022: 5 Directors). None of the Directors received any remuneration from the Company in either year, but instead were remunerated through the Company's subsidiary, VSA Capital Limited. The Directors have warrants and options in the Company as disclosed in note 20.

9 Net finance costs

Finance income: deposit account interest	**2023: £1,936**	2022: £736
Financial Income	**2023: £1,936**	2022: £736
Finance costs: finance lease interest	**2023: (£1,035)**	2022: (£13,282)
Finance costs: other interest	**2023: (1,622)**	2022: £NIL
Financial Expenses	**2023: (2,657)**	2022: (13,282)
Total	**2023: (£721)**	**2022: (£12,546)**

10 Taxation

Analysis of the tax charge
Corporation tax is payable on investment income.

Factors affecting the tax charge
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 **£**	2022 £
Profit on ordinary activities before tax	**280,761**	68,374
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	**53,345**	12,991
Effects of:		
Tax losses utilised	**(75,768)**	(12,991)
Tax paid on Investment Income	**8,338**	26,482
Other adjustments	**47,303**	-
Tax Charge	**33,218**	26,482

Due to the uncertainty of the timing of taxable profits for the Company in the future, a deferred tax asset in respect of the tax losses has not been included in the accounts. Tax losses of £2.7m (2022: £2.9m) have been carried forward as at 31 March 2023. The rate of corporation tax is set to rise to 25% in 2023.

11 Intangible assets - Group

Cost	**£**
At 1 April 2022 and 31 March 2023	**1,653,851**
Amortisation	
At 1 April 2022	330,770
Charge for the year	330,770
At 31 March 2023	**661,540**
Net book value	
At 31 March 2023	**992,311**
At 31 March 2022	1,323,081

Other intangible assets relate to the value of contracts purchased with acquisition of VSA Capital Limited on 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

12 Property, plant and equipment (Group)

	Leasehold Property	Office Equipment	Furniture and Fittings	Total
	£	£	£	£
Cost				
At 1 April 2022	733,430	31,683	98,926	864,039
Additions	-	2,071	600	2,671
Disposals	-	(3,133)	-	(3,133)
At 31 March 2023	**733,430**	**30,621**	**99,526**	**863,577**
Depreciation				
At 1 April 2022	88,177	11,856	10,989	111,022
Charge for the year	176,353	8,531	24,389	209,273
Disposals	-	(3,133)	-	(3,133)
At 31 March 2023	**264,530**	**17,254**	**35,378**	**317,162**
Net book value as at 31 March 2023	**468,900**	**13,367**	**64,148**	**546,415**
Net book value as at 31 March 2022	645,253	19,827	87,937	753,017

The leasehold property with a net book value of £468,900 (2022: £645,253) is a right-of-use asset and is disclosed separately on the face of the Balance Sheet.

13 Investment in subsidiary - company

COST	**£**
At 1 April 2022 and 31 March 2023	4,885,092
IMPAIRMENT	
At 1 April 2022 and 31 March 2023	1,011,096
NET BOOK VALUE	
At 31 March 2023	**3,873,996**
At 31 March 2022	3,873,996

VSA Capital Group plc acquired VSA Capital Limited on 31 March 2021.

Name of undertaking	Registered Office	Class of shares held	% held direct
VSA Capital Limited	Park House, 16-18 Finsbury Circus, London, United Kingdom, EC2M 7EB	Ordinary and deferred	100

14 Investments

	2023 Group	2022 Group	2023 Company	2022 Company
	£	**£**	**£**	£
Securities and warrants	**2,141,416**	691,769	**6,322**	12,716

All investments are classified at fair value through profit and loss. The quoted securities comprise equities quoted on the London Stock Exchange (**2023 Group: £193,613**, 2022: £389,198, **2023 company: £1,986**, 2022: £4,250), listed on Aquis (**2023 Group: £1,945,390**, 2022: £240,101, **2023 company: £4,336**, 2022: £8,466), unlisted private companies (**2023 Group: £NIL**, 2022: £60,000, **2023 company: £nil**, 2022: £nil) and on the Canadian Stock Exchange (**2023 Group: £2,413**, 2022: £2,470, **2023 company: £nil**, 2022: £nil).

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15 Trade and other receivables

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade receivables	**306,204**	496,020	**48,000**	-
Other receivables	**75,260**	40,912	**1,041**	1,532
	381,464	536,932	**49,041**	1,532

No interest is charged on outstanding trade receivables. The Directors consider that the carrying amount of trade and other receivables is approximately equal to the fair value. The company reviews all receivables for impairment and makes a provision against a debtor when it is considered more likely than not that the debt will not be recoverable. At 31 March 2023 a provision for impairment of £165,367 has been made (2022: £194,311).

16 Cash

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank	**1,273,122**	2,010,003	**267,292**	339,625

17 Trade and other payables

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade payables	**36,102**	15,769	**238**	221
Taxation and social security	**103,901**	75,955	**6,281**	-
Other payables	**477**	17,219	**477**	219
Accruals and deferred income	**388,719**	448,465	**20,000**	15,250
	529,199	557,408	**26,996**	15,690

18 Financial liabilities - borrowings

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Leases - current	**216,566**	107,623	**-**	-
Leases - non-current (one to five years)	**216,830**	487,488	**-**	-
Total	**433,396**	595,111	**-**	-

Group finance charges repayable within one year amount to £440 (2022: £877) and repayable between one and five years amounts to £169 (2022: £762). Gross obligations charges repayable within one year amount to £217,006 (2022: £108,500) and repayable between one and five years amounts to £216,999 (2022: £488,250).

At inception of the contract, the company assesses whether a contract is, or contains, a lease. It recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. The right-of-use assets and the lease liabilities are presented as separate line items in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate. It is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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The right-of-use assets comprise the initial measurement of the corresponding lease liability, plus lease payments made on or before the commencement day, less any lease incentives received and plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

19 Called up share capital

Allotted, issued and fully paid
Movements in the Ordinary and Deferred Shares during the year were as follows:

	Number	**Nominal Value of Share Capital £**	**Share premium £**
At 1 April 2022 (nominal value 1p per Ordinary share)	19,428,966	194,290	-
At 1 April 2022 (nominal value 19p per Deferred share)	18,226,300	3,462,997	-
At 1 April 2022 (shares purchased into Treasury)	-	(133,740)	-
At 1 April 2022 (nominal value of Share Premium)	-	-	418,057
At 31 March 2023 (nominal value 1p per Ordinary share)	**37,655,266**	**3,523,547**	**418,057**

On 29 July 2021, as part of a capital restructuring in preparation for the IPO, the 182,263 issued shares of £20 each were subdivided and redesignated into 18,226,300 1p ordinary shares and 18,226,300 19p deferred shares. At 31 March 2023 there were 19,428,966 ordinary 1p shares and 18,226,300 19p deferred shares in issue. The deferred shares have been compulsorily acquired by the Company Secretary and held on behalf of the Company.

20 Share Based Payments Reserve

	2023 £	**2022 £**
Opening balance at beginning of the year	51,585	25,786
Share options which have not met vesting conditions	-	(25,786)
New share options issued in the year	5	51,585
Movement in estimate of expected exercised options	(37,698)	-
Total - company, and Group	**13,892**	51,585

The board believes that share ownership by Directors and staff strengthens the links between their personal interest and those of investors. These relate to the ability to purchase ordinary shares in the Company. The estimated fair value of the options in issue was calculated by applying the Black-Scholes option pricing model as being a recognised and reliable valuation method. The company reviews the likelihood of future leavers and the calculation of the year-end liability is based on the estimated option holders that will still be entitled to exercise options in the future.

As at 31 March 2023, there were 11,065,600 share options and warrants in issue to purchase ordinary shares of the company (2022: 10,850,500). The options were issued to staff in addition to performance-based payments. Options are issued as an incentive to deliver long-term shareholder returns.

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Share options and warrants outstanding at the end of the year are as follows:

Grant date	01.04.2021	01.04.2021	01.04.2021	01.04.2021	01.04.2021	01.04.2021	01.04.2021	01.04.2021	01.04.2022
At 01.04.2022	6,471,500	557,300	450,200	471,500	1,071,500	21,500	67,000	1,740,000	-
Granted	-	-	-	-	-	-	-	-	915,000
Exercised	-	-	-	-	-	-	-	-	-
Vested / expired	-	(85,800)	(85,800)	-	(214,300)	-	(4,000)	(310,000)	-
At 31.03.2023	6,471,500	471,500	364,400	471,500	857,200	21,500	63,000	1,430,000	915,000
Exercise price	£0.0233	£0.0233	£0.0466	£0.1015	£0.1166	£0.1633	£0.2500	£0.2100	£0.2500
Expiry date	01.04.2031	01.04.2031	01.04.2031	01.04.2031	01.04.2031	01.04.2031	01.04.2031	01.06.2031	01.04.2031
Estimated fair value of options	0.1873	0.1873	0.1646	0.1113	0.0969	0.0570	0.0148	0.0289	0.0148
Share-based payment reserve	£5,646	£4,111	£2,346	£841	£912	£3	-	£29	£5

The estimated fair value of the options and warrants in issue was calculated by applying the Black-Scholes option pricing model. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The assumptions used in the calculations were as follows:

Share price at date of grant	£0.21
Exercise Price	see above table
Expected Volatility	10%
Expected dividend	0%
Contractual life	10 years except options granted in year 2022/23 is 9 years
Risk Free Rate	0.3%
Estimated fair value of option	see above table

The movement in share-based payment reserve for warrants was (£37,693) (2022: £25,799)

At 31 March 2023 there were outstanding VSA Capital Group plc options and warrants due to the Directors as follows:

	Number of shares	**Granted Date**	**Exercise Price**	**Exercise period**
Andrew Monk	2,914,300	01.04.2021	1p	Open-ended
	20,000	01.04.2021	25p	01.04.2021 – 01.04.2031
	200,000	01.04.2021	21p	01.04.2021 – 01.06.2031
	100,000	01.04.2022	25p	01.04.2022 – 01.06.2031
Andrew Raca	3,557,200	01.04.2021	1p	Open-ended
	20,000	01.04.2021	25p	01.04.2021 – 01.04.2031
	200,000	01.04.2021	21p	01.04.2021 – 01.06.2031
	100,000	01.04.2022	25p	01.04.2022 – 01.06.2031
Andy Chen	214,300	01.04.2021	1.015p	01.04.2021 – 01.04.2031
	50,000	01.04.2021	21p	01.04.2021 – 01.06.2031
	25,000	01.04.2022	25p	01.04.2022 – 01.06.2031
Mark Steeves	257,200	01.04.2021	1.015p	01.04.2021 – 01.04.2031
	50,000	01.04.2021	21p	01.04.2021 – 01.06.2031
	25,000	01.04.2022	25p	01.04.2022 – 01.06.2031
Marcia Manarin	428,600	01.04.2021	1.166p	01.04.2021 – 01.04.2031
	200,000	01.04.2021	21p	01.04.2021 – 01.06.2031
	100,000	01.04.2022	25p	01.04.2022 – 01.06.2031

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21 Profit & Loss Per Share

	As at 31 March 2023 Audited	As at 31 March 2022 Audited
Basic		
Profit/ (Loss) for the period attributable to owners of the Company (£)	247,543	41,892
Weighted average number of shares:	37,655,266	37,655,266
Basic earnings/(loss) per share (pence):	**0.7**	**0.1**
Diluted		
Profit/ (Loss) for the period attributable to owners of the Company (£)	247,543	41,892
Weighted average number of shares:	48,720,866	48,720,866
Diluted earnings/(loss) per share (pence):	**0.5**	**0.1**

The basic and diluted earnings per share were determined by dividing the profit or loss attributable to the equity holders of the Company by the weighted average number of shares outstanding during the periods.

22 Financial Instruments

The Group’s financial assets comprise cash and cash equivalents, listed securities, unlisted securities and trade and other receivables which arise directly from its operations. As at 31 March 2023, there were £134,739 of overdue trade receivables (2022: £128,586). No other financial assets were past due or were impaired except as described below.

Categories of financial instruments at 31 March 2023

Financial assets		
Financial assets at amortised costs:		
Trade and other receivables:	Group: £328,014 (2022: £502,603)	Company £49,041 (2022: £1,532)
Cash and bank balances:	Group: £1,273,122 (2022: £2,010,003)	Company £267,292 (2022: £339,625)
Financial assets at FV through Profit & Loss:	Group: £2,141,416 (2022: £691,769)	Company £6,322 (2022: £12,716)
Total Financial assets	Group: £3,742,552 (2022: £3,204,375)	Company £322,655 (2022: £353,873)
Financial liabilities		
Financial liabilities at amortised costs:		
Trade and other payables:	Group: £529,199 (2022: £557,408)	Company £26,996 (2022: £15,690)
Lease liabilities:	Group: £433,396 (2022: £595,111)	Company £nil (2022: £nil)
Total Financial liabilities	Group: £962,595 (2022: £1,152,519)	Company £26,996 (2022: £15,690)

The Group's exposure to various risks associated with the financial instruments is discussed below. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally payable in 60 days and are therefore all classified as current. Trade receivables are recognised at the amount of consideration that is unconditional. Trade receivables are reviewed for impairment and the carrying value is the net consideration expected to be received. Due to the short-term nature of the trade receivables their carrying value is considered to be the same as their fair value.

Other financial assets are measured at amortised cost and include other receivables, accrued income, prepayments and VAT are classified as current. Due to the short-term nature of these financial assets their carrying value is considered to be the same as their fair value.

Cash and cash equivalents include £35,596 of cash at bank and in hand (2022: £125,430) and £1,237,526 of deposits at call (2022: £1,884,573). Term deposits are presented as cash equivalents if they have maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

Trade and other payables include trade payables of £36,102 (2022: £15,769), taxes and social security of £103,901 (2022: £75,955), other payables of £477 (2022: £17,219) and accruals and deferred income of £388,719 (2022: £448,465). The carrying value of all these financial liabilities are considered to be the same as their fair values due to their short-term nature.

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Lease liabilities are measured on a present value basis in accordance with IFRS 16. The carrying value at 31 March 2023 is £433,396 (2022: £595,111). £216,566 (2022: £107,623) is shown as a current liability due within a year and £216,830 (2022: £487,488) is due over a year. Lease liabilities are described in detail in note 18.

Capital risk management
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns to shareholders. It is the current strategy of the Company to finance its activities from existing equity and reserves and by the issue of new equity if required. The Company is also required to maintain a certain amount of capital to meet the requirement of the regulator the Financial Conduct Authority, of which the Company is a member.

Other risks management
The Company's operations expose it to a variety of financial risks that include the effects of changes in liquidity risk, credit risk and market price risk. As all the Company's assets and liabilities are denominated in sterling it is not exposes to any material foreign exchange risk.

Credit risk
The credit risk on accounts receivable is monitored by senior management. To limit exposure to credit risk, many engagements require that fees are paid in advance of any activity being undertaken. Corporate finance activities are engaged on the basis that funds are received on a regular basis with the balance of funds due on funding completion which therefore minimises credit risk.

Liquidity risk
Ultimate responsibility for liquidity risk management rests with the board of Directors, which has devised an appropriate strategy for liquidity risk management. The Group manages its liquidity risk by maintaining adequate reserves and cash resources to meet its day to day requirements and by the preparation of timely management information including projections and cashflow forecasts. In the view of the Directors, the key risk is in meeting short term cash flow needs. All amounts repayable on demand or within three months are covered by the Group's cash and accounts receivable balances, which gives the Directors confidence that funds will be available to settle liabilities as they fall due.

The carrying amount of trade and other payables of £529,199 in respect of the Group and £26,996 in respect of the company (2022: £557,408 Group, £15,690 company) are repayable within one year and is equal to the future contractual undiscounted cash flows. The carrying amount of borrowings in respect of the Group is £433,396 at 31 March 2023 (2022: £595,111) - the contractual undiscounted cash flows in respect of Group borrowing amount to £434,005 (2022: £596,750) of which £217,006 (2022: £108,500) is repayable within one year and £216,999 (2022: £488,250) is repayable between one and five years.

Market price risk
The Company's exposure to market price risk mainly arises from potential movements in the fair value of its investments. The management meets regularly to consider investment strategy in respect of the company's portfolio.

Sensitivity analysis
Financial instruments affected by market price risk include the company's portfolio of listed investments. The following analysis, required by IFRS 7 Financial Instruments: Disclosures, is intended to illustrate the sensitivity of the Company's financial instruments (as at year end) to changes in Global Stock Market Indices.

The following assumptions were made in calculating the sensitivity analysis:

- All income statement sensitivities will impact equity
- All insignificant volume of equities within the Company's portfolio are denominated in other currencies
- The impact of foreign exchange risk has not been considered as the value risk is not considered to be material
- All equity indices, regardless of location, will either increase or decrease in similar proportions

Income Statement/Equity Impact Analysis
As at 31 March 2023, the company held listed equities valued with a fair value of £2,141,416 (2022: £691,769). The sensitivity to significant movements in Global Equity Market Indices are as follows:

Global Equity Market Indices	**2023**	**2022**
+5%	107,071	34,588
-5%	(107,071)	(34,588)
-10%	(214,142)	(69,177)
-15%	(321,212)	(103,765)

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The above sensitivities are calculated with reference to equities held on 31 March 2023. The volume and sector mix of the company's equity portfolio will change depending on company's investment appetite and availability of funding.

Fair value measurements recognised in the statement of financial position
The table below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 (£)	Level 2 (£)	Level 3 (£)	Total (£)
Financial assets at FVTPL:				
Quoted Securities	2,141,416	-	-	**2,141,416**
Unquoted securities	-	-	-	**-**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Valuation Techniques applied to Level 3 Financial Instruments.

Level 3 Financial Instruments comprise unquoted equity investments in private companies. Valuation will be based on the following:

- Last known sales of price of the instrument (if a sale of the financial instrument has occurred between a willing buyer and seller within 12 months of balance sheet date)
- Directors' valuation

23 Related party transactions

VSA Capital Limited
During the year, the company received invoices totalling £111 from VSA Capital Limited, its subsidiary undertaking, for disbursements (2022: £18,275 in relation to financial advisory services and recharge of Directors' fees).

During the year the company invoiced VSA Capital Limited £40,000 (2022: £nil) in relation to management fees.

Shanghai Mining Club Limited
Shanghai Mining Club Limited, trading as Shanghai Mining Club, was launched in conjunction with other parties, to provide services to mining companies internationally, giving them access to the Chinese mining and financial community and market intelligence.

VSA Capital Limited owns 40% of Shanghai Mining Club Limited. During the current financial year, VSA Capital Limited raised invoices totalling £26,423 to Shanghai Mining Club Limited for disbursements and service charges (2022: £4,752).

Everest Global Plc
During the year, the company raised invoices totalling £31,928 (2022: £15,289) to Everest Global Plc, a company where Andrew Monk was a director, for financial advisory services and recharge of Directors' fees.

During the prior year the company wrote off a balance of £63,727 due from Everest Global Plc.

As at 31 March 2023 Everest Global Plc owed the company £2,336 (2022: £165,449).