VSA CAPITAL GROUP PLC

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 March 2022

Company Registration No. 04918684

VSA CAPITAL AT A GLANCE

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

Overview

- Founded in 1989
- 25 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 Moshe Capital (South Africa)
- Longstanding relationships in Asia
- 2 Offices: London & Shanghai

Investment Banking Advisory and Fundraising

Corporate Finance
- Extensive experience in both buy and sell-side transactions
- Public and private company advisory
- Independent advice to boards and management teams

Corporate Broking, Sales & 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
- Consumer Brands, Leisure and eCommerce

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FOR THE YEAR ENDED 31 MARCH 2022

COMPANY INFORMATION

Directors	Andrew Monk Andrew Raca Marcia Manarin Mark Steeves Ruiwen (Andy) Chen
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 Ltd Neville House 18 Laurel Lane Halesowen B63 3DA
Legal Advisers	Armstrong Teasdale Limited 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 2022

I am pleased to present the first audited Annual Report and Accounts for VSA Capital Group plc since its IPO on the Aquis Growth Market on 9 September 2021. This date marked a return of the Group to the market following many years as an unlisted company and in a much stronger position than it had been before.

In order to achieve the IPO, the business undertook a restructuring whereby VSA Capital Group plc acquired VSA Capital Limited, the underlying business of the Group, in a share for share exchange. This restructuring was effected in accordance with the UK Takeover Code and resulted in a number of accounting peculiarities, particularly a considerable amount of goodwill which we are obliged to write off over a five year period, and also the fact that the strong performance of VSA Capital Limited had not been provided in the previous financial period as it was only acquired on the last day of that year.

Nevertheless, the board is pleased with the outcome for the year and as outlined by our CEO, Andrew Monk, reflects further growth and progress for the Group.

The current year is undoubtedly challenging, but we are cautiously optimistic. Meanwhile, personally, I am very confident in the executive team, and we as a board are confident that the Group's strategy is robust to continue to build shareholder value.

Mark Steeves
Non-Executive Chairman

Date: 28 June 2022

CEO'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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 first time in the financial statements for the year ended 31 March 2022.

Review of the Year

This is our first year of reporting as a listed company on the Aquis Growth Market and I am pleased to report a healthy underlying profit, despite the final quarter of January to March being exceptionally tricky as it has been for all in our industry. Also, despite the current turmoil in equity markets I am cautiously optimistic about the prospects for VSA in the current year.

To understand the performance of the VSA Group, we have highlighted an underlying profit before tax to reflect our "real profit". Most companies are now reporting Underlying or Adjusted Profits to give a true reflection of performance as goodwill amortisation, which is a non-cash item, can give a very distorted impression of a business's performance. Because VSA Capital Group plc undertook a restructuring by acquiring VSA Capital Limited in order to achieve our IPO, we are now required to amortise the consequent "goodwill" that arose, but in reality, nothing has actually changed. Such is the nature of IFRS accounting nowadays.

To understand the progress of our business, the key criteria to consider are the Group's underlying profits, cash generated and the number and quality of corporate clients which produce much of the Group's revenue.

Our cash position is healthy at £2.0mn (2021: £1.8mn). Our retained clients have increased to 24 (19 at the time that VSA Capital was acquired) and the quality of our clients has improved significantly. All this contributes to my cautious optimism.

Looking forward in the current global situation, although the economic outlook is not good, there is also a resetting of many industries to reflect a more nationalistic approach and control of countries' own energy and critical metal supplies. VSA is well placed to benefit from this with our core sectors being Natural Resources and Transitional Energy. We were marketing lithium mines across the globe more than 10 years ago and well before other UK investment banks got involved and this has given us a great position and understanding of all the critical and battery metals.

CEO'S REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2022

We have also taken a strong stance during the resurgence of Cornish Mining. Last year we completed the £41m fundraising and IPO of Tungsten West plc which, although technically in West Devon, will be a key component of the future Cornish Mining industry. Cornwall has plentiful reserves of Tin, Tungsten, Copper and Lithium. The UK can become a global mining player again, but it will take time, require a lot of capital, the support of the UK Government as well as collaboration between the different mining companies operating there. We expect to play a significant part in this.

During last year we have expanded our coverage successfully into the Leisure and Consumer Brands sectors acting for four companies, and we expect all to be active and to grow quickly. We are also advising on a number of transactions in the space.

We have broadened our Corporate Finance advisory practice continuing our public company Takeover Code work, private company fundraising and M&A advisory activities, which has led to us broadening our sector activities particularly in Technology and Software, eMobility and eCommerce. We are keen to grow into one or two other sectors if we can find the right people and without risking the profitability of our core sectors.

We have taken a strong stance to back the Aquis Stock Exchange as we genuinely believe London desperately needs a second exchange and competition to the LSE, which is losing market share annually on a global basis. In the USA you have NYSE and Nasdaq and in China they have three exchanges; Shanghai, Shenzhen and Beijing. Canada has the TSX/TSX-V and the Canadian Stock Exchange. In Asia, Hong Kong and Singapore compete. In a post Brexit world London needs a second exchange and Aquis is perfectly positioned. We have completed successful, well-funded IPOs on the Aquis Growth Market, which is growing, but it needs more participation by the retail trading platforms and PCBs to ensure liquidity is in the market. Sadly, in today's world it appears that many players care less about what they offer their clients but simply want an easy, well-paid life. I believe Aquis will eventually become the 'Nasdaq of London' and we were particularly pleased to be appointed as Aquis Corporate Adviser to Aquis Exchange plc on its dual listing on the Aquis Growth Market.

Our international operations and in particular our Shanghai office have declined significantly in the last two years due to the inability to travel to those destinations to develop business. We are not anticipating a rapid pick-up in deal flow from our Shanghai office in the coming year, but we are hopeful we can start to benefit from our partnerships in Kenya and South Africa.

Our joint ventures in Bond trading and asset management continue to bring in useful additional revenue and give us optionality on future possibilities. The Shanghai Mining Club, which has a joint venture with Investing In African Mining Indaba, continues to grow even though the conference has had to adapt to a hybrid virtual format. But we have high hopes that this can grow significantly going forward.

As a company we continue to look for acquisitions, which would help us grow without undue risk. So far, we are yet to find one that would fit with our culture, come at a valuation that is good for shareholders and adds long term value to our business.

CEO'S REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2022

Outlook

We remain cautiously optimistic despite the worsening conditions for global markets that are unlikely to improve for some time. We have always seen our profits biased towards the second half and normally show a loss at the interim stage and we expect that to be true this year. We then also expect to have a strong second half and show a profit for the full year ending 31 March 2023.

Andrew Monk
CEO

Date: 28 June 2022

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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

Directors

The following directors have held office during the year.

Andrew Monk
Andrew Raca
Marcia Manarin
Mark Steeves
Ruiwen (Andy) Chen

The interests of the directors and their immediate families and 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	3,134,300	6,981,900	23.1
Andrew Joseph Raca	998,700	5.1	3,777,200	4,775,900	15.8
Marcia Coelho Manarin	Nil	Nil	628,600	628,600	2.1
Mark David Crawford Steeves	Nil	Nil	307,200	307,200	1.0
Ruiwen (Andy) Chen	87,500	0.5	264,300	351,800	1.2

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 2022

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%	3,134,300	6,981,900	23.1%
Andrew Raca	998,700	5.1%	3,777,200	4,775,900	15.8%
Ruiwen Chen	87,500	0.5%	264,300	351,800	1.2%
Wei Chen	4,433,400	22.8%	-	4,433,400	14.6%
Gavin Casey	3,048,600	15.7%	-	3,048,600	10.1%
Feizhou Zheng	1,083,700	5.6%	-	1,083,700	3.6%
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	0.1%
Total	**15,571,800**	**80.1%**	**7,175,800**	**22,747,600**	**75.1%**

The concert party's net aggregate holding currently amounts to 75.1% 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 2022

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 6 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: 28 June 2022

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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 7.

Key performance indicators

Reported (accounting) profit
Year ended 31 March ***Underlying Profits***
2022: £68,374 after deducting amortisation of £330,770 (2021: £194,097 (no amortisation))

Cash
£2.01m (£1.87m)

Retained Corporate Clients
24 (19 clients of VSA Capital Limited)

Principal risks and uncertainties

The principal area of risk is reduced gross revenue due to market conditions or lack of engagement mandates. Business risk is managed by market research into new clients and client opportunities, building relationships alongside existing contacts to spread the capacity of the Group to provide its services and originating corporate transactions.

VSA has historically serviced the natural resources and energy sectors internationally but has diversified into other areas including transitional energy, Leisure and Consumer Brands and TMT. The receivables position is another risk factor which is monitored weekly to ensure that payments are received on time~~.~~

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.

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 2022.

STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2022

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*:* 28 June 2022

REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF VSA CAPITAL GROUP PLC
FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of VSA Capital Group plc (the Group and the Company) for the year ended 31st March 2022 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 2022 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 2022

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 2022

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

- All material movements have been looked at individually in order that any material instances of fraud be easily identified.
- The laws and regulations applicable for this entity have been identified and considered when carrying out the audit.
- The competency and capabilities of the audit team identifying or recognising non-compliance with laws and regulations have been considered.
- Consideration was given as to whether there were areas of the financial statements particularly susceptible to fraud.
- Minutes of meetings of those charged with governance have been reviewed and no issues to note.
- The risk of management override of controls has been reviewed and audited, including through testing journal entries and other adjustments for appropriateness.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our report of the auditors.

Use of our Report

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

Andrew Appleton (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: 28 June 2022

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022	2021
		£	£
Turnover	4	3,605,562	-
Cost of sales		(175,761)	-
Gross profit		3,429,801	-
Other operating income		**34,750**	-
Administrative expenses		**(2,954,406)**	(19,803)
Operating Profit/(loss)		510,145	(19,803)
Finance income	8	**736**	213,900
Gains/(Losses) on investments	8	**(442,507)**	-
Profit on ordinary activities before taxation		68,374	194,097
Tax on Profit/(Loss) on ordinary activities	9	(26,482)	-
Profit for the year		41,892	194,097
Other Comprehensive Income		-	-
Total Comprehensive Income		**41,892**	**194,097**

The statement of comprehensive income has been prepared on the basis that all operations in the year ended 31 March 2022 are continuing operations.

There were no discontinued operations during the current financial year. The Company acquired VSA Capital Limited on 31 March 2021 and the Group statement of comprehensive income for the year ended 31 March 2021 does not therefore include financial information relating to VSA Capital Limited.

GROUP AND COMPANY BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 Group £	2021 Group £	2022 Company £	2021 Company £
ASSETS					
Non-current assets					
Property, plant & equipment - owned	**10**	107,764	11,811	-	-
Property, plant & equipment - right of use	**10**	645,253	297,540	-	-
Intangible assets	**11**	1,323,081	1,653,851	-	-
Investment in subsidiaries	**12**	-	-	3,873,996	3,873,996
Total non-current assets		2,076,098	1,963,202	3,873,996	3,873,996
Current assets					
Investments	**13**	691,769	1,163,492	12,716	75,757
Trade and other receivables	**14**	536,932	235,367	1,532	1,644
Cash and cash equivalents	**15**	2,010,003	1,863,785	339,625	24,813
Total current assets		3,238,704	3,262,644	353,873	102,214
TOTAL ASSETS		5,314,802	5,225,846	4,227,869	3,976,210
EQUITY AND LIABILITIES					
Share capital	**18**	3,523,547	3,645,260	3,523,547	3,645,260
Share premium	**18**	418,057	177,524	418,057	177,524
Share-based payments reserve	**19**	51,585	25,786	51,585	25,786
Accumulated profits/(losses)		169,094	127,202	218,990	127,202
Total equity		4,162,283	3,975,772	4,212,179	3,975,772
LIABILITIES					
Current liabilities					
Trade and other payables	**16**	557,408	1,055,436	15,690	438
Finance liabilities - borrowings	**17**	107,623	136,066	-	-
Total current liabilities		665,031	1,191,502	15,690	438
Non-current liabilities					
Finance liabilities - borrowings	**17**	487,488	58,572	-	-
TOTAL EQUITY AND LIABILITIES		5,314,802	5,225,846	4,227,869	3,976,210

The financial statements were approved by the Board of Directors on 28 June 2022 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 2022

	Share Capital	Share Premium	Share based payments reserve	Retained Earnings	Total
	£	£	£	£	£
At 31 March 2020	135,740	2,048	25,786	(66,895)	**96,679**
Total comprehensive income	-	-	-	194,097	194,097
Share issue	3,509,520	175,476	-	-	3,684,996
At 31 March 2021	**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 31 March 2022	**3,523,547**	**418,057**	**51,585**	**169,094**	**4,162,283**

GROUP AND COMPANY CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 Group £	2021 Group £	2022 Company £	2021 Company £
Net cash generated/(used) in operating activities					
Profit / (loss) before income tax		68,374	194,097	(158,212)	194,097
Tax paid		(19,740)	-	-	-
Depreciation and amortisation		521,947	-	-	-
Loss / (gain) on current asset investments		438,628	(213,900)	9,403	(213,900)
(Increase)/decrease in trade / other receivables		(301,565)	6,918	112	6,918
Increase / (decrease) in trade / other payables		(504,770)	(403)	15,252	(403)
Change in share based payments reserve		25,799	-	25,799	-
NET CASH USED IN OPERATING ACTIVITIES		228,673	(13,288)	(107,646)	(13,288)
Net cash generated from/(used in) investing activities					
Purchase of subsidiary undertaking		-	(3,873,996)	-	(3,873,996)
Proceeds from disposal of plant, property and equipment		212,808	-	-	-
Purchases of plant, property and equipment		(847,651)	-	-	-
Proceeds from other investing activities		210,262	198,992	57,015	198,992
Other investments - additions		(177,167)	-	(3,377)	-
Dividends received		-	-	250,000	-
NET CASH GENERATED FROM INVESTING ACTIVITIES		(601,748)	(3,675,004)	303,638	(3,675,004)
Cash flows from financing activities					
Share capital issue		252,560	3,684,996	252,560	3,684,996
Purchase of shares into treasury		(133,740)	-	(133,740)	-
New finance leases		595,111	-	-	-
Finance lease repayments		(194,638)	-	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES		519,293	3,684,996	118,820	3,684,996
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		146,218	(3,296)	314,812	(3,296)
Cash and cash equivalents at beginning of period		1,863,785	28,109	24,813	28,109
Cash acquired with subsidiary undertaking		-	1,838,972	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**15**	2,010,003	1,863,785	339,625	24,813

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

1 Statutory Information,

VSA Capital Group plc is a public limited company limited by shares, 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 presentation currency of the financial statements is sterling.

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 2022 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 2022 amounts to £194,311 (2021: £314,753). The majority of the amount provided is in respect of one customer.

Valuation of investments
The majority of the investments in the Balance Sheet relate to listed investments and total £691,769 (2021: £1,163,492). Note 12 to the financial statements shows that these investments are primarily listed investments. These investments have a share price but those listed on Aquis often have very little liquid market. In addition, where VSA Capital Limited are advisors, they are restricted from buying or selling shares for a period of time. The directors therefore believe that the listed share price is often not a realistic basis for valuing shares. 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 £691,769 (2021: £1,274,855) 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 2022

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.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

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:

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

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

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.

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.

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

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 £3,605,562 (2021: £nil) comprises corporate finance fees of £2,797,340 (2021: £nil), broking fees of £578,069 (2021: £nil), bond trading of £85,462 (2021: £nil), research fees of £138,750 (2021: £nil) and other income of £5,941 (2021: £nil).

5 Employees and Directors (Group)

	31/3/22	**31/3/21**
	£	£
Wages and salaries	1,763,882	1,620,541
Social security costs	217,903	172,476
Other pension costs	33,926	29,228
	2,015,711	**1,822,245**

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

	31/3/22	**31/3/21**
Directors	5	3
Corporate finance	6	7
Research and sales	9	7
Account and administration	2	2
	22	**19**

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

	31/3/22 £	31/3/21 £
Directors' remuneration	633,333	687,770
Directors' pension contributions to money purchase schemes	9,690	9,870

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:

	31/3/22 £	31/3/21 £
Emoluments etc	**237,083**	**302,500**
Pension contributions to money purchase schemes	**1,703**	**4,110**

6 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.

7 Employees and directors

During the year there were no employees in the Company other than the five directors (2021: 2 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 17.

8 Net finance costs

Finance income: deposit account interest	**2022: £736**	2021: £nil
Gains/(losses) on market value of investments	**2022: (£429,225)**	2021: £213,900
Finance costs: finance lease interest	**2022: (13,282)**	2021: £nil
	2022: (442,507)	2021: £213,900

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

9 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:

	2022 £	2021 £
Profit on ordinary activities before tax	**68,374**	**194,097**
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	**12,991**	**36,878**
Effects of:		
Prior Year tax losses utilised	**(12,991)**	**(36,878)**
Tax paid on Investment Income	**26,482**	-
Tax Charge	**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 £2.9m (2021: £2.8m) have been carried forward as at 31 March 2022. The rate of corporation tax is set to rise to 25% in 2023.

10 Property, plant and equipment (Group)

	Leasehold Property £	Office Equipment £	Furniture and Fittings £	Total £
Cost				
At 31 March 2020	-	-	-	-
Acquired with subsidiary	467,004	64,346	254,711	786,061
At 31 March 2021	467,004	64,346	254,711	786,061
Additions	733,430	15,295	98,926	847,651
Disposals	(467,004)	(47,958)	(254,711)	(769,673)
At 31 March 2022	**733,430**	**31,683**	**98,926**	**864,039**
Depreciation				
At 31 March 2020	-	-	-	-
Acquired with subsidiary	169,464	52,535	254,711	476,710
At 31 March 2021	169,464	52,535	254,711	476,710
Charge for the year	172,909	7,279	10,989	191,177
Disposals	(254,196)	(47,958)	(254,711)	(556,865)
At 31 March 2022	**88,177**	**11,856**	**10,989**	**111,022**
Net book value as at 31 March 2022	**645,253**	**19,827**	**87,937**	**753,017**
Net book value as at 31 March 2021	**297,540**	**11,811**	**-**	**309,351**

The leasehold property with a net book value of £645,253 (2021: £297,540) is a right-of-use asset and is disclosed separately on the face of the Balance Sheet.

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

11 Intangible assets - Group

Cost	**£**
At 1 April 2021 and 31 March 2022	**1,653,851**
Amortisation	
At 1 April 2021	-
Charge for the year	**330,770**
At 31 March 2022	**330,770**
Net book value	
At 31 March 2022	**1,323,081**
At 31 March 2021	1,653,851

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

12 Investment in subsidiary - company

COST	**£**
At 1 April 2020	1,011,096
Acquired in the year	3,873,996
At 31 March 2021 and **31 March 2022**	**4,885,092**
IMPAIRMENT	
At 1 April 2021 and 31 March 2022	1,011,096
NET BOOK VALUE	
At 31 March 2022	**3,873,996**
At 31 March 2021	3,873,996

VSA Capital Group plc acquired VSA Capital Limited on 31 March 2021. The investment brought forward at 1 April 2020 is in deferred shares in VSA Capital Limited. The deferred shares have no voting rights.

13 Investments

	2022 Group £	**2021 Group £**	**2022 Company £**	**2021 Company £**
Securities and warrants	**691,769**	1,163,492	**12,716**	75,757

All investments are classified at fair value through profit and loss. The quoted securities comprise equities quoted on the London Stock Exchange (**2022 Group: £389,198**, 2021: £730,676, **2022 company: £4,250**, 2021: £75,757), listed on Aquis (**2022 Group: £240,101**, 2021: £349,745, **2022 company: £8,466**, 2021: £nil), listed on AIM (**2022 Group: £nil**, 2021: £4,350, **2022 company: £nil**, 2021: £nil), unlisted private companies (**2022 Group: £60,000**, 2021: £20,000, **2022 company: £nil**, 2021: £nil) and on the Canadian Stock Exchange (**2022 Group: £2,470**, 2021: £58,721, **2022 company: £nil**, 2021: £nil).

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

14 Trade and other receivables

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade receivables	**496,020**	173,153	**-**	-
Other receivables	**40,912**	62,214	**1,532**	1,644
	536,932	235,367	**1,532**	1,644

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 2022 a provision for impairment of £194,311 has been made (2021: £314,753).

15 Cash

	2022 Group £	2021 Group £	2022 Company £	2021 Company £
Cash at bank	**2,010,003**	1,863,785	**339,625**	24,813

16 Trade and other payables

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade payables	**15,769**	349,527	**221**	218
Taxation and social security	**75,955**	111,128	**-**	-
Other payables	**17,219**	2,470	**219**	220
Accruals and deferred income	**448,465**	592,311	**15,250**	-
	557,408	1,055,436	**15,690**	438

17 Financial liabilities - borrowings

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Leases - current	**107,623**	136,066	**-**	-
Leases - non-current (one to two years)	**487,488**	58,572	**-**	-

Group finance charges repayable within one year amount to £877 (2021: £6,845) and repayable between one and five years amounts to £762 (2021: £975). Gross obligations charges repayable within one year amount to £108,500 (2021: £142,911) and repayable between one and five years amounts to £488,250 (2021: £59,574).

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.

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

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.

18 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 2021 (nominal value £20 per Ordinary share)	182,263	3,645,260	177,524
Subdivision and redesignation, 29 July 2021 – ordinary shares	18,226,300		
Subdivision and redesignation, 29 July 2021 – deferred shares	18,226,300		
Shares issued between 31 July and 9 September 2021	1,202,666	12,027	240,533
Shares purchased into treasury, 31 July 2021	-	(133,740)	-
At 31 March 2022 (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 2022 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.

19 Share Based Payments Reserve

	2022 £	2021 £
Opening balance at beginning of the year	25,786	25,786
Share options which have not met vesting conditions	(25,786)	-
New share options issued in the year	51,585	-
Total - company, and Group	**51,585**	**25,786**

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 2022, there were 10,850,500 share options and warrants in issue to purchase ordinary shares of the company (2021: 118,000). The options were issued to staff in addition to performance-based payments. Options are issued as an incentive to deliver long-term shareholder returns.

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

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
	-	-	-	-	-		-	-
At 01.04.2021								
Granted	6,471,500	557,300	450,200	471,500	1,071,500	150,200	67,000	1,740,000
Exercised	-	-	-	-	-	-	-	-
Vested / expired	-	-	-	-	-	(128,700)	-	-
At 31.03.2022	6,471,500	557,300	450,200	471,500	1,071,500	21,500	67,000	1,740,000
Exercise price	£0.0233	£0.0233	£0.0466	£0.1015	£0.1166	£0.1633	£0.2500	£0.2100
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
Estimated fair value of options	0.1873	0.1873	0.1646	0.1113	0.0969	0.0570	0.0148	0.0289
Share-based payment reserve	£12,122	£10,439	£7,411	£5,247	£10,386	£856	£99	£5,025

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
Risk Free Rate	0.3%
Estimated fair value of option	see above table

The movement in share-based payment reserve for warrants was £25,799 (2021: £nil

At 31 March 2022 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
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
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
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
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

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FOR THE YEAR ENDED 31 MARCH 2022

20 Profit & Loss Per Share

	As at 31 March 2022 Audited	As at 31 March 2021 Audited
Basic		
Profit/ (Loss) for the period attributable to owners of the Company (£)	41,892	194,097
Weighted average number of shares:	19,428,966	182,263
Basic earnings/(loss) per share (pence):	**0.2**	**106.5**
Diluted		
Profit/ (Loss) for the period attributable to owners of the Company (£)	41,892	194,097
Weighted average number of shares:	30,279,466	292,484
Diluted earnings/(loss) per share (pence):	**0.1**	**66.4**

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.

21 Ultimate controlling party

The Company has no ultimate controlling party.

22 Acquisition of VSA Capital Limited

On 31 March 2021, in preparation for the IPO of the Company, VSA Capital Group plc acquired 95.1% of the ordinary share capital of VSA Capital Limited (VSA) by way of a share for share exchange. VSA provides corporate finance advisory and research and broking services. As a result of this transaction VSA Capital Group plc owned 100% of VSA at the year-end date.

The goodwill of £nil arising from the acquisition arises from the value of VSA. None of the goodwill recognised is expected to be deductible for income tax purposes. The following table summarises the consideration paid for VSA and the amounts and assets acquired and liabilities assumed recognised at the acquisition date, as well as the fair value at the acquisition date of the non-controlling interest in VSA.

	£
Consideration:	
Equity instruments (175,476 ordinary shares of the Company)	3,684,996
Fair value of total consideration transferred	**3,684,996**
Fair value of the Company's equity interest in VSA before the business combination	189,000
Total consideration	**3,873,996**
Fair value of recognisable amounts of identifiable assets acquired and liabilities assumed:	
Plant, property and equipment	309,351
Intangible fixed assets	1,653,851
Investments	1,087,735
Trade and other receivables	233,723
Cash and cash equivalents	1,838,972
Trade and other payables	(1,054,998)
Borrowings	(194,638)
Total identifiable net assets	**3,873,996**
Goodwill	**-**

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

23 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 2022, there were £128,586 of overdue trade receivables (2021: £79,316). No other financial assets were past due or were impaired except as described below.

Categories of financial instruments at 31 March 2022

Financial assets		
Financial assets at amortised costs:		
Trade and other receivables:	Group: £536,932 (2021: £235,367)	Company £1,532 (2021: £1,644)
Cash and bank balances:	Group: £2,010,003 (2021: £1,863,785)	Company £339,625 (2021: £24,813)
Financial assets at FV through Profit & Loss:	Group £691,769 (2021: £1,163,492)	Company £12,716 (2021: £75,757)
Total Financial assets	£3,238,704 (2021: £3,262,644)	Company £353,873 (2021: £102,214)
Financial liabilities		
Financial liabilities at amortised costs:		
Trade and other payables:	Group: £557,408 (2021: £1,055,436)	Company £15,690 (2021: £438)
Lease liabilities:	Group: £595,111 (2021: £194,638)	Company £nil (2021: £nil)
Total Financial liabilities	£1,152,519 (2021: £1,250,074)	Company £15,690 (2021: £438)

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 £125,430 of cash at bank and in hand (2021: £34,950) and £1,884,573 of deposits at call (2021: £1,828,835). 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 £15,769 (2021: £349,527), taxes and social security of £75,955 (2021: £111,128), other payables of £17,219 (2021: £2,470) and accruals and deferred income of £448,465 (2021: £592,311). The carrying value of all these financial liabilities are considered to be the same as their fair values due to their short-term nature.

Lease liabilities are measured on a present value basis in accordance with IFRS 16. The carrying value at 31 March 2022 is £595,111 (2021: £194,638). £107,623(2021: £136,066) is shown as a current liability due within a year and £487,488 (2021: £58,572) is due over a year. Lease liabilities are described in detail in note 16.

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.

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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 £557,408 in respect of the Group and £15,690 in respect of the company (2021: £1,055,436 Group, £438 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 £595,111 at 31 March 2022 (2021: £194,638) - the contractual undiscounted cash flows in respect of Group borrowing amount to £596,750 (2021: £202,458) of which £108,500 (2021: £142,911) is repayable within one year and £488,250 (2021: £59,547) 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 2021, the company held listed equities valued with a fair value of £691,769 (2021: £1,163,492). The sensitivity to significant movements in Global Equity Market Indices are as follows:

Global Equity Market Indices	2022	2021
+5%	34,588	58,175
-5%	(34,588)	(58,175)
-10%	69,177	(116,349)
-15%	103,765	(174,524)

The above sensitivities are calculated with reference to equities held on 31 March 2022. 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).

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

	Level 1 (£)	Level 2 (£)	Level 3 (£)	Total (£)
Financial assets at FVTPL:				
Quoted Securities	631,769	-	-	**631,769**
Unquoted securities	-	-	60,000	**60,000**

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

24 Related party transactions

VSA Capital Limited

During the year, the Company received invoices totalling £18,275 (2021: £7,513) from VSA Capital Limited for financial advisory services and recharge of directors' fees.

The shareholders of VSA Capital Limited acquired control of VSA Capital Group plc in a reverse takeover and the former shareholders of VSA Capital Limited together own 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.