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This Document comprises an Admission Document drawn up in compliance with the requirements of the AQSE Growth Market Access Rulebook, December 2020 ("**AQSE Rules**") and is being issued in connection with the proposed admission of the Ordinary Shares of VSA Capital Group plc ("**VSA**" or the "**Company**") to trading on the Access segment of the Aquis Stock Exchange ("**AQSE**") Growth Market ("**AQSE Growth Market**"). This Document does not constitute a prospectus, and the Company is not making, an offer to the public within the meaning of sections 85 and 102B of FSMA. This Document is not an approved prospectus for the purposes of, and as defined in, section 85 of FSMA, has not been prepared in accordance with the Prospectus Rules and its contents have not been approved by the Financial Conduct Authority ("**FCA**") or any other authority which could be a competent authority for the purposes of the Prospectus Regulation. Further, the contents of this document have not been approved by an authorised person for the purposes of section 21 of FSMA. This Document will not be filed with, or approved by, the FCA or any other government or regulatory authority in the United Kingdom.

The Directors and the Proposed Directors of the Company, whose names are set out on page 12 of this Document, accept full responsibility, collectively and individually for the information contained in this Document including the Company's compliance with the AQSE Rules. To the best of the knowledge and belief of the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and there is no other material information the omission of which is likely to affect the import of such information.

The share capital of the Company is not presently listed or dealt in on any stock exchange. Application has been made for the issued, and to be issued, ordinary share capital of the Company to be traded on the AQSE Growth Market. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on the AQSE Growth Market on 9 September 2021.



VSA CAPITAL GROUP PLC

(Incorporated in England and Wales with company number 04918684)

Subscription of 1,202,666 new Ordinary Shares of 1p each at 21p per share

**Admission to trading of entire Ordinary Share Capital on the Access segment
of the AQSE Growth Market**

Aquis Stock Exchange Corporate Adviser
Alfred Henry Corporate Finance Limited

ALFRED HENRY

CORPORATE FINANCE LIMITED

The AQSE Growth Market, which is operated by Aquis Stock Exchange Limited ("**AQSE**"), a recognised investment exchange under Part XVIII of the Financial Services and Markets Act 2000, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies.

It is not classified as a regulated market under Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, and AQSE Growth Market securities are not admitted to the Official List of the FCA. Investment in an unlisted company is speculative and tends to involve a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in AQSE Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

VSA Capital Group plc is required by AQSE to appoint an Aquis Stock Exchange Corporate Adviser ("AQSE Corporate Adviser") to apply on its behalf for admission to the Access Segment of the AQSE Growth Market and must retain an AQSE Corporate Adviser at all times. The requirements for an AQSE Corporate Adviser are set out in the AQSE Corporate Adviser Handbook, and the AQSE Corporate Adviser is required to make a declaration to AQSE in the form prescribed by Appendix B to the AQSE Corporate Adviser Handbook.

This admission document has not been approved or reviewed by the Aquis Stock Exchange or the Financial Conduct Authority.

Alfred Henry Corporate Finance Limited ("Alfred Henry"), which is authorised and regulated by the FCA, is the Company's AQSE Corporate Adviser for the purposes of Admission. Alfred Henry has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Document, or for the omission of any material information, for which the Directors and Proposed Directors are solely responsible. Alfred Henry is acting for the Company and no one else in relation to the arrangements proposed in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice to any other person on the content of this Document.

The whole text of this Document should be read. An investment in the Company involves a high degree of risk and may not be suitable for all recipients of this Document. Prospective investors should consider carefully whether an investment in the company is suitable for them in the light of their personal circumstances and the financial resources available to them.

OVERSEAS SHAREHOLDERS

This Document does not constitute an offer to sell, or a solicitation to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Document is not for distribution in or into the United States, Canada, Australia, the Republic of South Africa or Japan. The Ordinary Shares have not been nor will be registered under the United States Securities Act of 1933, as amended, nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of South Africa or Japan or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States, Canada, Australia, the Republic of South Africa or Japan or to any national, citizen or resident of the United States, Canada, Australia, the Republic of South Africa or Japan.

The distribution of this Document in certain jurisdictions may be restricted by law. No action has been taken by the Company or Alfred Henry that would permit a public offer of Ordinary Shares or possession or distribution of this Document where action of that purpose is required. Persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Holding Ordinary Shares may have implications for overseas Shareholders under the laws of the relevant overseas jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

UNDER NO CIRCUMSTANCES SHOULD THIS DOCUMENT BE COMMUNICATED, TRANSMITTED OR OTHERWISE SHARED WITH PERSONS DOMICILED, RESIDENT OR BASED IN THE UNITED STATES OF AMERICA ITS TERRITORIES OR POSSESSIONS OR WHO MAY OTHERWISE BE CONSIDERED AS UNITED STATES PERSONS, INCLUDING REPRESENTATIVES OF UNITED STATES COMPANIES OR NON-UNITED STATES SUBSIDIARIES OF UNITED STATES COMPANIES UNLESS THEY HAVE RECEIVED INDEPENDENT LEGAL ADVICE FROM THEIR OWN ADVISERS THAT THEY ARE ENTITLED TO RECEIVE THIS DOCUMENT.

This Document contains "forward-looking statements". These statements relate to the Company's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "aim", "intend", "may", "plan", "will", "can", "may", "expect", "forecast", "anticipate", "would", "should", "could" expressions or the negative of those variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part I of this Document. The forward-looking statements in this Document are based on current expectations and are subject to risk and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part II of this Document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated, or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. These forward-looking statements are made only as at the date of this Document. Neither the Directors, the Proposed Directors, nor the Company undertake any obligation to update forward-looking statements or Risk Factors other than as required by law or the AQSE Growth Market Rules whether as a result of new information, future events or otherwise. However, nothing in this Document will be effective to limit or exclude liability for fraud or which, by law or regulation, cannot otherwise be so limited or excluded.

THIRD PARTY INFORMATION

To the extent that information has been sourced from a third party, this information has been accurately reproduced and, so far as the Directors, the Proposed Directors and the Company are aware and able to ascertain from information published by that third party, no facts have been omitted which may render the reproduced information inaccurate or misleading.

INFORMATION ON THE COMPANY'S WEBSITE

The information on the Company's website does not form part of the admission document unless that information is incorporated by reference into the admission document.

IMPORTANT INFORMATION

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this Document are based on the law and practice currently in force in the UK and are subject to change. This Document should be read in its entirety. All holders of Ordinary Shares are entitled to the benefit of and are bound by and are deemed to have notice of the provisions of the Articles.

The delivery of this Document or any subscriptions or purchases made hereunder and at any time subsequent to the date of this Document shall not, under any circumstances, create an impression that there has been no change in the affairs of the company since the date of this Document or that the information in this Document is correct.

PROSPECTIVE INVESTORS SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT AND SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS ARE ADVISED TO READ, IN PARTICULAR, THE INFORMATION ON THE COMPANY SET OUT IN PART I AND THE RISK FACTORS SET OUT IN PART II OF THIS DOCUMENT.

Notice to prospective investors in the EEA

In relation to each Member State of the EEA, no Ordinary Shares have been offered or will be offered to the public in that Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Member State, all in accordance with the Prospectus Regulation except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

- (i) Offers made solely to qualified investors as defined in the Prospectus Regulation;
- (ii) Offers to fewer than 150 persons (other than qualified investors as defined in the Prospectus Regulation) per Member State; or
- (iii) Offers falling within a Member State's discretionary threshold within Article 3(2) of the Prospectus Regulation or in any other circumstances falling within such Article,

Provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Member State and each person who initially acquires any Ordinary Shares or to whom any offer is made to acquire Ordinary Shares will be deemed to have represented, acknowledged and agreed that it is a "**qualified investor**" within the meaning of the law of the Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression "**to the public**" in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

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DEFINITIONS

The following definitions apply throughout this Document unless the context requires otherwise:

“Act” or “Companies Act”	the UK Companies Act 2006 (as amended)
“Admission”	admission of the issued and to be issued Ordinary Shares of the Company to trading on the Access Segment of the AQSE Growth Market becoming effective in accordance with the AQSE Growth Market Access Rulebook
“AIM”	the AIM Market, a recognised investment exchange operated by the London Stock Exchange
“Articles” or “Articles of Association”	the articles of association of the Company from time to time
“Aquis Stock Exchange” or “AQSE”	Aquis Stock Exchange Limited, a recognised investment exchange under section 290 of FSMA
“Aquis Stock Exchange Corporate Adviser” or “AQSE Corporate Adviser”	Alfred Henry Corporate Finance Limited, registered in England and Wales with company number 03214944 and whose registered address is Finsgate, 5/7 Cranwood Street, London, EC1V 9EE
“Aquis Stock Exchange Growth Market” or “AQSE Growth Market”	the primary market for unlisted securities operated by AQSE
“Aquis Stock Exchange Growth Market Access Rulebook” or “AQSE Growth Market Access Rulebook”	the AQSE Growth Market Access Rulebook for issuers, which set out the admission requirements and continuing obligations of companies seeking admission to and whose shares are admitted to trading on the Access segment of the AQSE Growth Market
“Articles” or “Articles of Association”	the articles of association of the Company from time to time
“ASX”	the Australian Stock Exchange, a regulated exchange owned and operated by ASX Limited
“Audit Committee”	the audit committee of the Company, being a duly appointed sub-committee of the Board
“Benjami”	Benjami Limited, registered in England and Wales with company number 11494678 and whose registered address is at New Liverpool House, 15-17 Eldon Street, London EC2M 7LD
“Board”	the directors of the Company, whose names are set out on page 12 of this Document, and which, if the context requires includes the Proposed Director
“Business Day”	a day other than Saturday or Sunday or a public holiday in England and Wales
“certificated” or “in certificated form”	means in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in certificated form (that is, not in CREST)
“City Code”	the City Code on Takeovers and Mergers
“Companies Act 2006”	the Companies Act 2006, as amended
“Company” or “Issuer” or “VSA Capital Group”	VSA Capital Group plc, a company registered in England and Wales with company number 04918684 and whose registered office is at New Liverpool House, 15-17 Eldon Street, London EC2M 7LD

“Concert Party”	means 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 set out more fully in paragraph 11 of Part IV of this document. The Concert Party is beneficially interested in 15,571,800 Ordinary Shares, representing approximately 80.1 per cent. of the Ordinary Share capital of the Company on Admission.
“Concert Party Options and Warrants”	means the 7,175,800 Options and Warrants held by members of the Concert Party
“Concert Party Option and Warrant Shares”	means the 7,175,800 new Ordinary Shares to be issued on exercise of the Concert Party Options and Warrants
“Connected Persons”	has the meaning set out in section 252 and section 254 of the Act and includes spouse, children under 18 and any company in which the relevant person is interested in shares comprising at least one fifth of the share capital of that company
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear
“CREST Manual”	means the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International manual, the CREST Rules, the CSS Operations Manual and the CREST Glossary of Terms
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended by The Uncertificated Securities (Amendment and EU Exit) Regulations 2019
“Deferred Shares”	deferred shares of 19p each in the capital of the Company having the limited rights and being subject to the restrictions set out in the Articles
“Directors”	the directors of the Company as at the date of this Document, whose names are set out on page 12 of this Document
“directorships”	means positions the Directors hold or have previously held, in addition to the company, at other organisations, as members of the administrative, management or supervisory bodies of those organisations at any time in the five years prior to the date of this Document
“Document” or “Admission Document”	this document and its contents
“EEA”	means the European Economic Area
“EEA States”	means the member states of the European Union and the European Economic Area, each an “EEA State”
“Enlarged Issued Share Capital”	the Issued Share Capital and the Concert Party Option and Warrant Shares
“EU”	means the European Union

“EU IFRS”	International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union
“EU Market Abuse Regulation”	Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)
“Euro”	means the lawful currency of the European Union
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
“EUWA”	the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal) Act 2020
“Faida”	Faida Investment Bank Limited, registered in Kenya and whose registered office is at Crawford Business Park, State House Rd, Nairobi, Kenya
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“FPO”	Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
“Group”	VSA Capital Group plc, its subsidiary VSA Capital and dormant subsidiary, VSA Capital Private Investments Limited
“Issue Price”	means 21 pence per Ordinary Share
“Issued Share Capital”	the issued ordinary share capital of the Company immediately following Admission
“ISIN”	International Securities Identification Number
“JSE”	the Johannesburg Stock Exchange, an exchange owned and operated by JSE Limited
“LEI”	Legal Entity Identifier
“MAR” or “Market Abuse Regulation”	the UK version of the EU Market Abuse regulation as implemented in the UK by EUWA
“Moshe Capital”	Moshe Capital Pty LTD, registered in the Republic of South Africa and whose registered office is at The Place, 1 Sandton Drive, Sandton 2196, South Africa
“NSX”	the National Stock Exchange of Australia, an exchange owned and operated by NSX Limited
“Official List”	the Official List of the FCA
“Options”	options to subscribe for Ordinary Shares
“Ordinary Shares” or “Shares”	ordinary shares of 1p each in the capital of the Company
“Panel” or “Takeover Panel”	the Panel on Takeovers and Mergers
“Persons Discharging Managerial Responsibility” or “PDMR”	as defined in MAR, as may be amended from time to time, and refers to any person fulfilling such function for the Company or any of its subsidiaries from time to time and as set out at the date of this Document
“Pounds Sterling” or “£”	means British pounds sterling, the lawful currency of the United Kingdom
“Proposed Directors”	Mark Steeves, Ruiwen (Andy) Chen and Marcia Manarin, who are to be appointed as Directors with effect from Admission

“Prospectus Regulation”	Regulation (EU) No 2017/1129 of the European Parliament as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018
“Prospectus Regulation Rules”	the prospectus regulation rules made by the FCA pursuant to section 73A of FSMA, as amended on the 1 January 2021 to incorporate references to EU Regulation and Commission Delegated Regulation being to the versions which are part of UK domestic law by virtue of the EUWA, and as amended by relevant statutory instruments
“Pure Reports”	Pure Reports Limited, a company registered in England and Wales with company number 11334674 and whose registered office is at New Liverpool House, 15-17 Eldon Street, London EC2M 7LD
“QCA Code”	the Corporate Governance Code 2018 produced by the Quoted Companies Alliance
“Qualified Investor”	persons who are qualified investors as defined in the Prospectus Regulation and either (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) who are high net worth entities falling within Article 49 of the Order; or (b) other persons to whom it may otherwise lawfully be communicated (all such persons under (a) and (b) together being referred to as "relevant persons").
“Registrar”	Neville Registrars Limited, of Neville House, Steelpark Road, Halesowen B62 8HD
“Remuneration Committee”	the remuneration committee of the Company, being a duly appointed sub-committee of the Board
“SDRT”	Stamp Duty Reserve Tax
“Shanghai Mining Club”	Shanghai Mining Club Limited, registered in England and Wales with company number 12417242 and whose registered address is at New Liverpool House, 15-17 Eldon Street, London EC2M 7LD
“Share Dealing Code”	the code to be operated by the Company from Admission which governs the restrictions imposed on persons discharging managerial responsibility and the persons closely associated with them (as defined in MAR) in relation to dealings in the Company’s securities
“Shareholders”	the persons who are registered as the holders of Ordinary Shares from time to time
“Significant Shareholders”	those Shareholders whose holdings represent more than 3% of the Issued Share Capital of voting rights of the Company
“Subscribers”	persons who, having entered into a Subscription Letter, have made a legally binding commitment, conditional on Admission, to subscribe for Subscription Shares;
“Subscription”	the conditional subscription of 1,202,666 new Ordinary Shares at the Issue Price on the terms set out in the Subscription Letters;

“Subscription Letters”	the letters entered into by each Subscriber and the Company pursuant to which Subscribers have subscribed for Subscription Shares pursuant to the Subscription;
“Subscription Shares”	the 1,202,666 new Ordinary Shares subscribed for under the Subscription;
“Subsidiary” or “Subsidiaries”	as defined in the Act
“TSX”	the Toronto Stock Exchange, an exchange owned and operated by TMX Group Limited
“TSX-V”	the TSX Venture Exchange, an exchange owned and operated by TMX Group Limited
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK IFRS”	UK-adopted international accounting standards
“UK Listing Authority”	means the FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US”, “USA” or “United States”	the United States of America
“US Securities Act”	the United States Securities Act of 1933 (as amended)
“VAT”	means (i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition
“VSA Capital”	VSA Capital Limited, registered in England and Wales with company number 02405923 and whose registered address is at New Liverpool House, 15-17 Eldon Street, London EC2M 7LD
“Warrants”	a right to subscribe for Ordinary Shares granted by the Company on terms of a warrant

References to a **“company”** in this Document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

Glossary

The following definitions apply throughout this Document, unless the context requires otherwise:

Blockchain	a decentralized immutable digital public ledger that requires no central organization; the blockchain network itself facilitates and manages the digital ledger in chronological order
Cryptocurrency	a form of currency that only exists digitally, that usually has no central issuing or regulating authority but instead uses a decentralized system to record transactions and manage the issuance of new units, and that relies on cryptography to prevent counterfeiting and fraudulent transactions
ECM	equity capital markets
EIS	the Enterprise Investment Scheme, a UK government scheme designed to help smaller higher-risk trading companies raise finance, by offering a range of tax relief to investors who purchase new shares in those companies
IPO	Initial public offering, a process where a previously unlisted company sells new or existing securities and offers them to the public for the first time, becoming a publicly listed company on a recognized stock exchange
HNW	High-net-worth individual, a term to designate an individual is one who had confirmed, during the financial year immediately preceding the date of the certificate, an annual income of £100,000 or more and held, throughout the same year, net assets of £250,000 or more
JV	Joint Venture, a commercial enterprise in which two or more organisations combine their resources to gain a tactical and strategic edge in the market, often to pursue specific projects
LBO	Leveraged buyout, the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition
M&A	Mergers and Acquisitions, a general term used to describe the consolidation of companies or assets through various types of financial transactions, including mergers, acquisitions, consolidations, tender offers, purchase of assets, and management acquisitions
MiFID	Directive on markets in financial instruments (Directive 2014/65/EU), together with Regulation No 600/2014, a regulatory framework for securities markets, investment intermediaries and trading venues
RTO	Reverse Takeover, a process whereby private companies can become publicly traded companies without going through an initial public offering
SMF1	Senior Management Function 1, Chief Executive Function
SMF3	Senior Management Function 3, Executive Director
SMF9	Senior Management Function 9, Chairman
SMF16	Senior Management Function 16, Compliance Oversight
SMF17	Senior Management Function 17, Money Laundering Reporting

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	3 September 2021
Admission to trading on the Access segment of the AQSE Growth Market becoming effective and commencement of dealings in the Ordinary Shares	8.00 a.m. on 9 September 2021
Ordinary Shares credited to CREST accounts (where applicable)	9 September 2021
Despatch of share certificates (where applicable)	Within 10 Business Days of Admission

All references to time in this Document are to London, UK time unless otherwise stated and each of the times and dates are indicative only and may be subject to change.

SHARE ADMISSION STATISTICS

Ordinary Shares in issue at the date of this Document	18,226,300
Number of Options	4,550,600
Number of Warrants	6,471,500
Number of Subscription Shares	1,202,666
Issued Share Capital on Admission	19,428,966
Shares held in treasury	1,337,400
Number of Ordinary Shares held by the Concert Party	15,571,800
Percentage of the Issued Share Capital held by the Concert Party on Admission	80.1%
Fully diluted share capital on Admission	30,451,066
Options and Warrants as a percentage of the fully diluted share capital on Admission	36.2%
Expected market capitalisation of the Company on Admission	£4.08million
AQSE Growth Market symbol (TIDM)	VSA
ISIN	GB00BMXR4K91
SEDOL	BMXR4K9
LEI	213800Z2XMFUEK3OYN85

DIRECTORS, PROPOSED DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Andrew Monk Andrew Raca	<i>(Executive Director)</i> <i>(Executive Director)</i>
Proposed Directors	Mark Steeves Ruiwen (Andy) Chen Marcia Manarin	<i>(Independent Non-Executive Chairman)</i> <i>(Independent Non-Executive Director)</i> <i>(Executive Director)</i>
Company Secretary	Marcia Manarin	
Registered Office	VSA Capital Group plc New Liverpool House 15-17 Eldon Street London EC2M 7LD	
Website		Telephone +44 (0) 20 3005 5000 www.vsacapital.com
AQSE Corporate Adviser	Alfred Henry Corporate Finance Limited Finsgate 5-7 Cranwood Street London EC1V 9EE	
Legal Advisers to the Company	Armstrong Teasdale Ltd 200 Strand Temple London WC2R 1DJ	
Auditors and Reporting Accountants	Hilden Park Accountants Limited Hilden Park House 79 Tonbridge Road Hildenborough Kent TN11 9BH	
Registrar	Neville Registrars Limited Neville House Steelpark Rd Halesowen B62 8HD	
Principal Bankers	National Westminster Bank 250 Bishopsgate London EC2M 4AA	

PART I
INFORMATION ON THE GROUP AND STRATEGY

1. Background

The Company was incorporated as a public limited company under the laws of England and Wales on 1 October 2003 with the name Formjet Public Limited Company and with registered number 04918684. Since incorporation the Company has been through the following name changes; Formjet Public Limited Company (1 October 2003 to 27 July 2004), Formjet plc (27 July 2004 to 4 March 2010), Third Quad Capital plc (4 March 2010 to 14 February 2011), VSA Capital Group plc (14 February 2011 to 27 May 2015), Resource, Reserve Recovery plc (27 May 2015 to 29 October 2018) and VSA Capital Private Investments plc (29 October 2018 to 29 July 2021). On 29 July 2021 the Company passed as a special resolution to change its name to VSA Capital Group plc. From 27 August 2004 to 30 April 2013 the Company was quoted on the AIM Market of the LSE.

The Company acts directly as the ultimate holding company for the Group. Currently, VSA Capital Group owns one operating subsidiary, VSA Capital Limited ("**VSA Capital**"), an international investment bank and broking firm established in 1989, with offices in London and Shanghai. VSA Capital is authorised and regulated by the FCA, is a member of the LSE and a Corporate Adviser on the Aquis Growth Market. VSA Capital was acquired by the Company in March 2021. When the Company acquired VSA Capital as a reverse takeover, a waiver from the obligation that would otherwise have arisen on certain sellers of VSA Capital to make a general offer to all other shareholders of VSA under Rule 9 of the Takeover Code was obtained from the Takeover Panel and in the context of that waiver, the Concert Party was agreed with the Takeover Panel.

VSA Capital is an international investment banking and broking firm, with offices in London and Shanghai, providing corporate finance, advisory and capital markets services to private and public companies. VSA Capital's focus is on providing an independent, solutions-driven service to clients across multiple sectors with a particular focus on natural resources, transitional energy, alternative energy, technology, media and telecoms and the consumer and leisure sectors. VSA Capital acts as retained adviser or broker to listed or quoted companies on various exchanges, and many of VSA Capital's clients are capitalised at over £100m.

VSA Capital's longstanding focus on the natural resources sector has resulted in long-lasting and deep relationships across the world particularly in Asia and Africa as well as a strong understanding of the cultural nuances associated with doing business in each. This sector focus has meant that VSA Capital has been an early mover in the transitional energy space and has leading expertise in executing capital markets strategies across the full battery storage supply chain.

VSA Capital also owns minority stakes in Benjami Limited ("**Benjami**") a cryptocurrency and blockchain focused investment house, Pure Reports Limited ("**Pure Reports**") a research, consulting, and advisory business to companies engaged in blockchain activities and Shanghai Mining Club Limited ("**Shanghai Mining Club**") a forum to connect western mining companies with the broader Chinese investment community.

As well as VSA Capital's permanent presence in Shanghai it has joint venture partnerships with Faida Investment Bank Limited ("**Faida**") a leading investment bank regulated by the Capital Markets Authority in Kenya and with Moshe Capital Pty Ltd ("**Moshe Capital**") an advisory and investment firm, regulated by the Financial Services Board in South Africa, that advises and invests in African companies.

2. Principal Business Activities

The Group provides a number of services including:

Corporate Finance

The corporate finance team provides advice to small and mid-cap growth companies (both in the public and private markets) across a variety of industry sectors. These services include advising on private equity and equity capital markets (ECM) transactions, including initial public offerings (IPO), secondary raisings and reverse takeovers (RTO); as well as on corporate transactions involving mergers and acquisitions (M&A), disposals and

restructurings, leveraged buyouts (LBO) and joint ventures (JV). The team also provides regulatory advice to retained clients to ensure ongoing compliance with the relevant exchange and regulatory bodies.

Corporate Broking

The team provides corporate broking services, including follow-on equity capital raisings, market reporting obligations and shareholder base analysis, to small and mid-cap companies listed or quoted on stock exchanges domestically (LSE Main Market, AIM, and AQSE) and internationally (Australian Stock Exchange (“ASX”), National Stock Exchange of Australia (“NSX”), Johannesburg Stock Exchange (“JSE”), Toronto Stock Exchange (“TSX”) and the TSX Venture Exchange (“TSX-V”).

Equity Sales

The equity sales team sources equity and debt funding and alternative finance from institutional investors, specialist investors, wealth managers, hedge funds, family offices and high net worth individuals in the UK and internationally.

Research

The research team provides pre-IPO and secondary research to promote the Group’s retained corporate clients to investors domestically and internationally. In addition, the team produces thematic and macro research keeping potential investors and existing shareholders up to date with corporate and sector developments.

VSA Capital is “Broker Exempt” under MiFID II and is therefore able to distribute its research freely to the benefit of its corporate clients.

Fixed Income Asset Management

The Group has a profit share agreement with a Fixed Income Asset Management team. Under the Agreement, the VSA Capital team offers fixed income services to its investing clients. The team focuses on pure vanilla corporate bonds, high yield bonds and government debt/rates in EUR, USD, and GBP, with a geographic coverage across Europe, USA, emerging markets, the Middle East and North Africa region and Asia.

Mining Fund Management

The Group has a profit sharing agreement with a team that has established a fund management/fund advisory capability in the mining sector and has been appointed as advisor to a private US mining fund. The VSA Capital team focuses on long-term opportunities in commodity sub-sectors, micro-, small- and mid-cap companies with world class undeveloped resource bases and producing companies.

3. Strategy and Prospects

The Group operates in a highly competitive environment and so the underlying basis of the Group’s strategy is to identify areas where competition is lower but with significant growth potential.

The Group primarily focuses on primary markets, the market for initial sales of financial instruments, and has historically avoided the secondary market, the market for all subsequent transactions in financial instruments. The Directors and Proposed Directors believe that this strategy enables the Group to keep the number of employees smaller resulting in a much lower cost base compared to the Company’s competitors.

The Directors and Proposed Directors will continue the Group’s focus on the natural resources and transitional energy sectors where they believe the Group has developed a reputation as sector specialists. The Directors and Proposed Directors believe that the Group’s historic sector focus on natural resources mean that it is well positioned to support its corporate clients across the whole value chain of transitional energy from mine to battery to grid supplier to electric vehicle.

Alongside this, Directors and Proposed Directors intend to develop additional sector capability which are complementary to the Group’s core sectors or where significant crossovers exists, such as technology, leisure

and the consumer brands sectors. The Directors and Proposed Directors may seek to expand the Group's sector expertise further if they believe significant opportunities exist.

In addition to developing the Group's core business, the Directors and Proposed Directors have identified four strategic initiatives where they believe there is a lack of competition, a potentially large market exists, and where they believe the Group has the in-house abilities to be successful.

These strategic initiatives include an increasing focus on the development of the AQSE Stock Exchange into the "NASDAQ of London" and as a serious alternative market for clients to the AIM Market or the Main Market of the LSE. The Directors and Proposed Directors believe that several factors exist for the Group, as a registered Aquis Stock Exchange Corporate Adviser, to capitalise on the growth of the AQSE Stock Exchange including, the higher costs for corporate clients associated with being quoted on AIM, AIM's over-regulated nature for a growth market being a burden for growth companies, the same tax advantages existing for investors on the AQSE Growth Market as on AIM and a conflict of interest for the Group's competitors who offer a nominated adviser capability for clients on the AIM Market.

The Directors and Proposed Directors believe that individual investors are increasingly becoming a major part of supporting ECM transactions, with many pre-qualified HNWs supporting transactions in "institutional size". The Directors and Proposed Directors believe that most of the Group's competitors have little or no interest in working with individual investors and that by developing the Group's capability to involve individual investors in ECM transactions, this provides an additional pool of capital, not offered by the Group's competitors, to existing and potential corporate clients, in addition to providing liquidity in the corporate clients shares.

The Directors and Proposed Directors believe that the Group's Shanghai office provides the Group a deep understanding of the cultural issues and complexities of doing business in China. This enables the Group to increase its activities in China alongside the right partners, with the Group contributing with its extensive expertise and knowledge rather than capital. Alongside this, the Directors and Proposed Directors believe the Group's relationships in Africa with Faida and Moshe Capital uniquely offers the Group the ability to provide existing and potential corporate clients a network linking London, China and Africa.

The Directors and Proposed Directors believe that the Group is in a good position to maximise its revenue from its proprietary trading activities. The Group has grown its number of investments, with a greater focus on realising market gains. The Directors and Proposed Directors believe that the Group has a competitive advantage in this area which enables it to maximise returns from available cash reserves.

The Directors and Proposed Directors believe that opportunities exist for the Group to use its own capital to invest in situations where they believe the Group has the knowledge and capability to achieve high returns.

4. Reasons for Admission to the AQSE Growth Market

The Directors and Proposed Directors believe that Admission will assist in positioning the Group for the next stage of development. In addition, the Directors and Proposed Directors believe that Admission will:

- help to raise the public profile of the Group amongst its existing and potential clients through increased press and media coverage;
- raise the Group's profile within its target corporate and investor funding markets;
- add to the Group's credibility, both within the industry and with its clients
- provide the Group with a potentially attractive acquisition currency, for use were any suitable acquisition opportunities to arise;
- help the Company to attract and retain high calibre staff by allowing the introduction of an employee share option scheme;

- demonstrate the Group's commitment to the AQSE Growth Market by being listed on it itself; and
- provide an opportunity to encourage employees' commitment and incentivise their long-term motivation and performance.

5. The Subscription

Pursuant to the Subscription and conditional on Admission, the Company has obtained legally binding commitments for the issue of 1,202,666 Subscription Shares at the Issue Price with new subscribers raising gross proceeds of £252,560. The Subscription Shares will represent approximately 6.2 per cent. of the issued share capital of the Company on Admission.

6. Financial Information

The Financial Information is set out in Part III of this Document. This information comprises separate audited accounts for the Company and for VSA Capital. The Company acquired VSA Capital on 31 March 2021.

The Company was incorporated on 1 October 2003 and its financial year ends on 31 March.

7. The Board of Directors

The Directors and Proposed Directors believe the Board is comprised of a knowledgeable and experienced group of professionals with relevant experience and capability to deliver the Company's strategy.

The profiles of the Directors of the Company, upon Admission, are set out below:

Andrew Anthony Monk, *Executive Director and Chief Executive Officer (aged 60)*

Andrew's stockbroking career spans over 36 years. In that time, he has built up strong relationships with many major global institutions and has conducted a wealth of financial transactions in a wide range of sectors.

He is the current Chief Executive Officer of VSA Capital Limited. He began his career at Stock Beech in Bristol in 1984, moving to Scott Goff Layton (which became Smith New Court, Merrill Lynch and now Bank of America). He subsequently joined Schroder Securities and then ABN AMRO Hoare Govett for 11 years before founding Oriel Securities as Joint Chief Executive Officer and is a former Chief Executive Officer of Blue Oar Securities plc.

His current directorships include non-executive director of Anglo African Agriculture plc, an African producer and supplier of agricultural products, executive director of Benjami, a crypto investment bank and executive chairman of Shanghai Mining Club Limited.

Andrew graduated with a degree in Chemistry from Oriel College, Oxford.

Andrew holds the FCA Controlled Functions SMF1 and SMF3.

Andrew Joseph Raca, *Executive Director and Head of Corporate Finance (aged 57)*

Andrew has over 30 years' experience in a broad range of corporate finance advisory, fundraising and equity capital markets activities. He joined Andrew Monk at VSA Capital Limited in 2011, having worked previously together when he was Head of Corporate Finance at Blue Oar Securities plc.

He started his career in corporate finance and banking at Barclays de Zoete Wedd and then worked in his family's manufacturing and logistics businesses with operations in Central and Eastern Europe. Subsequently he went on to hold senior positions in Corporate Finance at Albert E Sharp Securities, Arthur Andersen, Ernst & Young (where he became Head of the regional Capital Markets Advisory practice), Arden Partners, Libertas Capital, Blue Oar Securities and Shore Capital.

Andrew is a director of Shanghai Mining Club Limited.

Andrew graduated with a degree in Politics from the University of Bristol.

Andrew holds the FCA Controlled Function SMF3.

The profiles of the Proposed Directors on Admission are as follows:

Marcia Manarin, Executive Director, Company Secretary and Finance Director (aged 50)

Marcia started her career in the financial industry working for Bradesco in Sao Paulo, Brazil and relocated to London in 2001. Since arriving in the United Kingdom, Marcia qualified as a chartered accountant in 2008 (CIMA) and has worked in senior roles in both Finance and Operations within both energy and financial services sectors, including Tristone Capital (Macquarie Group) and FirstEnergy/GMP Capital (acquired by Stifel in Dec/2019).

Marcia graduated with a degree from Faculdades Integradas Alcântara Machado - Faculdades de Artes Alcântara Machado.

Marcia holds the FCA Controlled Functions SMF3, SMF16 and SMF17.

Mark David Crawford Steeves, Independent Non-Executive Chairman (aged 68)

Mark began his business career as a shipbroker, before becoming joint owner of a marine consultancy and ship management company, which was sold to Aminex plc. Following the sale, he ran Aminex's procurement and oilfield service business, Amosco Ltd. In 2002, he joined HSBC Insurance Brokers as a Business Development Director, eventually becoming Head of Energy, then, Head of Africa, before HSBC sold its insurance subsidiary in March 2010.

Mark then established Samphire & Associates Ltd, a consultancy and advisory services business focused on African related businesses. He served on the board Britain Nigeria Business Council (2007 to 2009), the Business Council for Africa (2009 to 2015), Resolution Insurance (2014 to 2015), Phoenix Africa Development Co Ltd (2010 to 2019) and Leon Africa (2012 to 2016). Mark has also been a mentor for the Women-Led Business Programme run by Femmes Africa Solidarité and, until 2020, served on the advisory board of Moshe Capital, a South African Broad-Based Black Economic Empowerment woman owned advisory and investment firm.

Mark holds the FCA Controlled Function SMF9.

Ruiwen (Andy) Chen, Independent Non-Executive Director (aged 36)

Andy has over 10 years' experience as a project consultant to small and growing public companies. He has considerable experience in a number of sectors, and advising on corporate governance for quoted companies. In 2018, Andy founded VFund (Jersey), an alternative investment fund specializing in Scotch whisky investment. VFund is regulated by the Jersey Financial Services Commission (JFSC). In addition, VFund has set up a private whisky experience centre in London. Over the years, Andy has introduced a number of cross-border investments from Asia to the UK. He worked as a financial analyst for IBM UK in his early career and is currently a director of several companies.

Andy gained a master's degree in Management with Marketing from the University of Bath.

8. Dividend Policy

The Company is primarily seeking to achieve capital growth for its Shareholders and previously has not paid dividends. However, it is mindful of the need to reward Shareholders and so should the Company continue to generate sustainable profits and an adequate capital base is maintained, the Company may cautiously start to pay dividends.

9. Corporate Governance

The Directors and Proposed Directors recognise the importance of sound corporate governance and, following Admission, have undertaken to take account of the requirements of the QCA Code to the extent that they consider it appropriate having regard to the Group's size, board structure, stage of development and resources. Conditional on Admission, the Company has established an Audit Committee, a Remuneration Committee, and an AQSE Growth Market Rules Compliance Committee. Details of these committees are set out below:

Audit Committee

The Board has established an Audit and Risk Committee with formally delegated duties and responsibilities. The Audit and Risk Committee will be chaired by Mark Steeves and its other member is Andy Chen. The Audit and Risk Committee will meet at least twice a year and will be responsible for ensuring the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Company's risk assessment and internal control processes.

Remuneration Committee

The Remuneration Committee will be chaired by Andy Chen and its other member is Mark Steeves. It is expected to meet not less than two times a year. The Remuneration Committee has responsibility for determining, within agreed terms of reference, the Company's policy on remuneration of senior executives and specific remuneration packages for executive directors and the Chairman, including pension rights and compensation payments. It is also responsible for making recommendations for the grants of options and other equity incentive scheme in operation from time to time. The remuneration of non-executive directors is a matter for the Board. No director may be involved in any discussions as to their own remuneration.

AQSE Growth Market Rules Compliance Committee

The Board has agreed that the AQSE Growth Market Rules Compliance Committee will be comprised of the Board as a whole and will be responsible for ensuring that the Company has sufficient procedures, resources and controls to enable it to comply with the AQSE Growth Market Rules for Issuers and will meet not less than twice a year.

Share Dealing Code

The Company has adopted a share dealing code in relation to dealings in securities of the Company by the Directors, Proposed Directors and Persons Discharging Managerial Responsibility ("**PDMR**") which is appropriate for a company whose shares are traded on the AQSE Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with UK legislation, including the Market Abuse Regulation. It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to the Company and dealings in its Ordinary Shares.

The Company has also implemented an anti-bribery and corruption policy and also implemented appropriate procedures to ensure that the board, employees and consultants comply with the UK Bribery Act 2010.

The Directors and Proposed Directors have established financial controls and reporting procedures, which are considered appropriate given the size and structure of the Company.

10. The City Code

The City Code, which is issued and administered by the Panel on Takeovers and Mergers (the "**Panel**"), applies to all takeover and merger transactions, however effected, where the offeree company has, *inter alia*, its registered office in the UK, the Channel Islands or the Isle of Man, and where its securities are admitted to trading on a regulated market or a multilateral trading facility (such as the AQSE Growth Market) in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man. Therefore the City Code applies to VSA.

Ordinarily, under Rule 9 of the City Code (Rule 9), where (i) any person acquires an interest in shares which, when taken together with shares in which persons acting in concert with them are interested, carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with them, is interested in shares which in aggregate carry not less than 30 per cent., but does not hold more than 50 per cent. of the voting rights of such a company and such person, or persons acting in concert with them, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested, that person is normally obliged to make a general offer to all

shareholders to purchase, in cash, that company's shares at the highest price paid by them, or any person acting in concert with them, within the preceding 12 months.

Under the City Code, a concert party arises when persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of that company. Under the City Code, control means an interest or interests in shares carrying in aggregate 30 per cent or more of the voting rights of a company, irrespective of whether such interest or interests gives de facto control.

For the purposes of the Code, the Company and the Panel have agreed that Andrew Monk, Andrew Raca, Basil Shibliq, Gordon Lawson, Louise Lawson, Gavin Casey, Lesley Casey, Philip Hardy, Wei Chen, Feizhou Zheng, Lee Chong Liang, Teong Tiek Wah, Soon Beng Gee, Ruiwen (Andy) Chen and Jeremy Bridge form the Concert Party as set out more fully in paragraph 11 of Part IV of this Document. The Concert Party is beneficially interested in 15,571,800 Ordinary Shares, representing approximately 80.1 per cent. of the Ordinary Share capital of the Company on Admission. In the event that members of the Concert Party were to exercise their 7,175,800 Concert Party Options and Warrants (which could be done at any time following Admission) resulting in the issue to the Concert Party of 7,175,800 Ordinary Shares, and there were no other changes to the Company's share capital prior to the exercise of the Concert Party Options and Warrants, the total holding of the Concert Party would increase to 22,747,600 Ordinary Shares representing approximately 85.5 per cent. of the Company's Enlarged Issued Share Capital.

Further detail is set out in paragraph 11.2 in Part IV of this document.

While and for so long as the Concert Party holds shares carrying more than 50% of the Company's voting rights it (or any persons acting in concert with it) may acquire further shares without incurring any obligation under Rule 9 of the Takeover Code to make a mandatory offer, although individual members of the Concert Party will not be able to increase their percentage holding in shares through or between a Rule 9 threshold without Takeover Panel consent.

11. Share Options and Warrants

The Directors believe that it is important for the success and growth of the Group to employ and engage highly motivated personnel and that equity incentives should be available to attract, retain and reward employees, directors and consultants. To assist in achieving this, the Company has granted a total of 11,022,100 Options and Warrants, representing 56.7 per cent. of the Issued Share Capital on Admission to its employees, Directors and Proposed Directors at exercise prices of 2.33 pence, 4.66 pence, 10.15 pence, 11.66 pence, 16.33 pence, 21.00 pence and 25.00 pence. The Options are exercisable over periods of up to 10 years and are not dependent on any performance hurdles. The Warrants, which were issued to Andrew Monk and Andrew Raca have no expiry date.

Further details of the Options and Warrants are set out in paragraph 5 of Part IV of this Document.

12. Admission to the Access Segment of the AQSE Growth Market

Application has been made to AQSE for the Issued Share Capital to be admitted to trading on the Access segment of the AQSE Growth Market. Dealings in the Ordinary Share Capital are expected to commence at 8.00 a.m. on 9 September 2021. No application has been or will be made for any options or warrants to be admitted to trading.

13. CREST

The Company's Articles of Association are consistent with the transfer of Ordinary Shares in dematerialised form in CREST under the CREST Regulations. Application has been made for the Ordinary Shares to be admitted to CREST on Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if relevant Shareholders so wish.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates in respect of their Ordinary Shares will be able to do so.

14. Taxation

The Ordinary Shares do not rank as a “qualifying investment” for the purposes of the EIS nor as a “qualifying holding” for the purposes of investment by VCT.

Information regarding UK taxation in relation to the Ordinary Shares is set out in paragraph 18 of Part IV (*Additional Information*) of this Document. These details are, however, intended only as a general guide to the current tax position under UK taxation law, which may be subject to change in the future.

If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.

15. Further Information and Risk Factors

You should read the whole of this Document which provides additional information on the Group and not rely on summaries or individual parts only. Your attention is drawn to the further information in this Document and particularly to the risk factors set out in Part II of this Document. Potential investors should carefully consider the risks described in Part II before making a decision to invest or acquire shares in the Company.

PART II RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risks set out below in addition to all of the other information set out in this Document before investing in the Ordinary Shares. The investment offered in this Document may not be suitable for all of its recipients. Before making any final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities in the UK or another appropriate financial adviser in the jurisdiction in which such investor is located who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.

The Board believes the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all of those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Board, or which the Board currently deems immaterial, may also have an adverse effect on the Company and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of their investment.

The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority.

RISKS RELATING TO THE GROUP AND ITS BUSINESS STRATEGY

Dependence of key personnel

The Group's future success is substantially dependent on the continued services and continuing contributions of its Chief Executive Officer, Head of Corporate Finance, other senior management and other key personnel, the loss of which could have a material adverse effect on the Group's business. The Group's future success is also substantially dependent on its ability to continue to attract, retain and motivate highly skilled and qualified personnel, and failure to do so could result in a reduction in the Group's business and trading results.

While employees of the Group are subject to employment agreements, these agreements do not preclude such employees from terminating their employment at any time, subject to notice periods. Furthermore, where such employees are subject to certain post-termination restrictions such as competing with the Group and/or soliciting employees and/or customers, these may not be fully enforceable at law or may only apply for a limited time. The anticipation of such employees terminating their employment is highly subjective and hard to foresee. Since key employees are essential for the completion of certain transactions, termination of these employees' employment is a highly significant risk factor.

Litigation and regulatory proceedings

Legal proceedings may arise from time to time in the course of the Group's businesses. The Directors and Proposed Directors cannot preclude that litigation may be brought against the Group and that such litigation could have a material adverse effect on the reputation of the Group or its financial condition, results or operations. Group's businesses may be materially adversely affected if the Group and/or its employees or agents are found not to have met the appropriate standard of care or exercised their discretion or authority in a prudent of appropriate manner in accordance with accepted standards.

Further, the FCA, AQSE, the Takeover Panel and other regulatory authorities may from time to time make enquiries of companies within their jurisdiction regarding compliance with regulations governing the conduct of business or the operation of a regulated business and the handling and treatment of clients or conduct investigations when it is alleged that regulations have been breached. Responding to such enquiries may be time-consuming and expensive and the Group may face regulatory proceedings and damage to its reputation and ultimately its business if the FCA or any other regulatory body were to detect or allege any failure to comply with applicable regulations.

Adequacy of insurance arrangements

The Group's business entails the risk of liability related to litigation from clients or third parties and actions taken by regulatory agencies. Specifically, there is a risk that claims may arise in relation to losses or damage resulting from the Group's employees' and/or agents' errors, negligence, or misconduct, or misrepresentation. Although the Group maintain professional indemnity insurance against such risks of its employees or agents, there is no guarantee (i) that any insurance in place will cover all, or any part, of any liability incurred by the Group in any such circumstances, (ii) that any insurer will remain solvent and will meet its obligations to provide the Group with coverage, or (iii) that insurance coverage will continue to be available with sufficient limits at a reasonable cost. Renewals of insurance policies may expose the Group to additional costs through higher premiums or the assumption of higher deductibles or claims thresholds. The future costs of maintaining insurance cover or meeting liabilities not covered by insurance could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

Information systems

The Group is reliant on its information technology systems to display, process and transmit information and manage business processes and activities relating to, for example, market making and equity trading. The Group's information technology systems could be damaged, disrupted and shutdown due to problems with upgrading software, power outages, hardware issues, viruses, cyber-attacks, telecommunication failures, human error or other unanticipated events. Such damage, disruption or shutdown could, even on a temporary or short-term basis, have a significant adverse effect on the Group's business operations. Although the Group has disaster recovery and backup systems in place, they may not adequately address every information technology risk and, in addition, the Group's insurance may not cover all loss and damage that it may suffer as a result of a system failure. Power failure or loss of critical information technology systems during a trading day could result in trading losses and failure to fulfil client orders which could lead to significant losses and reputational damage.

Risks of business activities, credit risks and exposure to losses

The Group is exposed to the risk that third parties that owe the Group money or securities will not perform their obligations. These parties may default on their obligations due to bankruptcy, lack of liquidity, operational failure and other reasons.

Dependence on availability of capital

The Group's business is dependent upon the availability of adequate funding and regulatory capital under applicable regulatory requirements. Although the Group expects to have sufficient capital to satisfy all of its capital requirements, there can be no assurance that any, or sufficient, funding or regulatory capital will continue to be available to the Group in the future on terms that are acceptable to it, if at all.

Competition risk

The Group operates in a highly competitive market. Some of the Group's competitors have greater financial and other resources than the Group and, as a result, may be in a better position to compete for future business opportunities. These competitors compete directly with the Group for both clients and employees. In particular, some of the Group's competitors are able to use their balance sheet to offer underwriting services and/or debt to client companies whilst the Group currently does not. Larger competitors are able to advertise their services on a regional, national or international basis. In addition, some competitors have a longer history of investment

banking and advisory activities than the Group and, therefore, may possess a relative advantage with regard to access to deal flow and capital. This competition could have a material adverse effect on the Group's financial condition, results or operations as well as the Company's ability to attract and retain highly skilled individuals. There can be no assurance that the Group can, or will be able to, compete effectively in the future.

Employee misconduct or error

The Group is subject to the risk of employee misconduct or error. Misconduct or error by employees could include binding the Group to transactions that exceed authorised limits or do not match client instructions or present unacceptable risks, or misconduct could include hiding unauthorised mistaken or unsuccessful transactions from the Group, which, in either case, may result in unknown or unmanaged risks or losses. Employee misconduct could also involve improper use or disclosure of confidential information, which could result in regulatory sanctions, serious reputational harm and as a consequence financial damage. It is not always possible to deter employee misconduct and the precautions which the Group takes to prevent and detect this activity (including taking references on recruitment of personnel, ongoing training and review processes and authorising only certain personnel to carry out certain actions on behalf of the Group) may not be effective in all cases. In addition, as the Group grows, such precautions may need to be updated and/or expanded to increase their effectiveness. Failure to do so, or to do so in a timely fashion, may lead to such precautions becoming ineffective, or less effective, against the risks against which it is intended they mitigate. The Group maintains professional indemnity insurance, but there can be no guarantee that any loss suffered by the Group would be adequately covered by such insurance, particularly in the event of employee misconduct. Due to the highly regulated environment in which the Group operates and the subsequent control systems it has established, this is considered a low risk.

Risk of injury to the Chief Executive Officer and senior members of staff

Members of staff are encouraged for health and environmental reasons to cycle to work and to business meetings. Several members of staff do so. The Group's Chief Executive Officer, Andrew Monk has in the past fallen on black ice. There is risk that further incidences could occur to the CEO and other senior members of staff, particularly during the winter months.

RISKS RELATING TO THE INDUSTRY AND ASSOCIATED REGULATORY REGIMES IN WHICH THE GROUP OPERATES

Economic, political and market conditions

The Group's future prospects are in part linked to the global economy and volatility in the stock market. Macroeconomic factors outside of the Group's control can greatly affect its clients and hence the Group's own performance and financial position. Reductions in the number and size of public offerings and mergers and acquisitions due to changes in economic, political or market conditions could cause the Group's revenues from M&A advisory and capital markets activities to decline materially. Economic uncertainty caused by changes in political and fiscal regimes around the world could give rise to a material reduction in the financial performance and position of the clients that the Group serves, which in turn could result in a reduction in demand for the services provided by the Group. Clients may choose to delay planned mandates, cancel mandates altogether, or become more price sensitive if there is sustained downward pressure on their profitability caused by poor economic conditions. The amount and profitability of these activities are affected by many national and international factors, including economic, political and market conditions; level and volatility of interest rates; legislative and regulatory changes; exposure to fluctuations in currency values; inflation; inflows and outflows of funds into and out of investment companies, endowment funds, mutual funds, investment banks, brokerages, pension funds and insurance companies; and availability of short-term and long-term funding and capital.

Regulation and non-compliance

The corporate finance and corporate broking industry is highly regulated and compliance with applicable regulations is costly. VSA Capital's activities are regulated primarily by the FCA and it is dependent on the FCA authorisation to carry on such activities. The FCA has broad regulatory powers dealing with all aspects of financial

services, including the authority to make enquiries of companies regarding compliance with applicable regulations, to grant and, in specific circumstances, to vary or cancel permissions and to regulate business practices and the maintenance of adequate financial resources. VSA Capital has been operating as a regulated entity for over 18 years and its management is comprised of experienced market participants used to operating in a regulated environment, and as such this is a low risk.

The regulatory environment in which VSA Capital operates frequently changes and has seen significantly increased regulation in recent years, and there is a risk that this trend will continue for the foreseeable future. VSA Capital may be materially adversely affected as a result of new or revised legislation or regulations or by changes in the interpretation or enforcement of existing laws and regulations, and changes to the regulatory environment could also increase the compliance costs of VSA Capital Limited.

Any changes in the laws and regulations governing VSA Capital's business, or revocation of relevant FCA authorisations, could limit the services VSA Capital is able to offer or the fees it is able to generate, or increase the costs of compliance. A revocation of VSA Capital's authorisation to conduct regulated activity would have a very material impact on VSA Capital's financial condition and prospects and could force the Company to restructure its operations to continue its business. A substantial change in regulatory capital requirements or the regulatory environment for the investment management industry could have a material adverse effect on VSA Capital's business, results of operations, financial condition and growth prospects.

RISKS RELATING TO THE ORDINARY SHARES

Lack of liquidity

Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. There may be little or no trading in the Ordinary Shares, which may result in Shareholders being unable to dispose of their shareholdings, or acquire significant shareholdings.

Fluctuations in the price of Ordinary Shares

The market price of Ordinary Shares may be subject to fluctuations in response to many factors, including variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Group's industry or target markets, additions or departures of the Group's management and/or key personnel and factors outside the Group's control, including, but not limited to, general economic conditions, the performance of the overall stock market, other Shareholders buying or selling large numbers of Ordinary Shares and changes in legislations or regulations.

Stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Ordinary Shares.

The value of Ordinary Shares may go down as well as up. Investors may therefore realise less than, or lose all of, their original investment.

Realisation of investment

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. Potential investors should be aware that the value of Ordinary Shares can rise or fall and that there may not be proper information available for determining the market value of an investment in the Company at all times.

RISKS RELATING TO FINANCIAL MATTERS

Financing risks and requirements for further funds

It is possible that the Company will be required to seek further equity financing. The Company's ability to raise further funds will depend on the success of its strategy and operations. The Company may not be successful in procuring the requisite funds on terms that are acceptable to it, or at all. If such funding is unavailable, the Group

may be required to reduce the scope of its operations and investments or anticipated expansion, abandon its strategy, forfeit its interest in some or all of its assets, incur financial penalties or miss certain acquisition opportunities.

If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to Ordinary Shares. The Company may issue Ordinary Shares as consideration for acquisitions or investments, which would result in a dilution of Shareholders' respective shareholdings. Equity issues may result in a change of control of the Company.

Tax risks

The Company may undertake operations or make investments or acquisitions that will subject the Company to withholding taxes in various jurisdictions. In the event that withholding taxes are imposed with respect to any of the Company's and/or Group's operations, investments or acquisitions, the effect will generally be to reduce the income received by the Group on such investments or acquisitions. Such withholding taxes may be imposed on income, gains, issue of securities or supporting documents, including the contracts governing the terms of any financial instrument and such taxes may be confiscatory in nature. The Group may make investments in jurisdictions where the tax regime is not fully developed or is not certain.

There can be no certainty that the current taxation regime in England and Wales or in other jurisdictions within which the Group may operate will remain in force or that the current levels of corporation taxation will remain unchanged. Any change in the tax status or tax legislation may have material adverse effects on the financial position of the Company and the Group.

RISKS RELATING TO TRADING ON THE AQSE GROWTH MARKET

Investment in unlisted securities

Investments in shares traded on the AQSE Growth Market are perceived as involving a higher degree of risk and of being less liquid than investments in those companies admitted to trading on the Main Market or AIM, both of the London Stock Exchange.

The value of Ordinary Shares may go down as well as up. Investors may therefore realise less than, or lose all of, their original investment.

Market risks

Continued admission to the AQSE Growth Market is entirely at the discretion of AQSE.

Any changes to the regulatory environment, in particular the AQSE Rules could, for example, affect the ability of the Company to maintain a trading facility on the AQSE Growth Market.

Other risks: Forward-looking statements

This Document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "projects", "assumes", "expects", "intends", "may", "will", "would" or "should", or in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Document and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth strategies and the industries in which the Company operates. By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including without limitation: conditions in the markets, the market position of the Company, its earnings, financial position, cash flows, return on capital, anticipated

investments and capital expenditures, the changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this Document. Forward-looking statements contained in this Document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

The investment opportunity offered in this Document may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult a professional adviser authorised under FSMA, who specialises in investments of this nature, before making their decision to invest.

PART III
(A) ACCOUNTANT'S REPORT



Hilden Park Accountants Limited

The Directors
VSA Capital Group plc
New Liverpool House
15-17 Eldon Street
London EC2M 7LD
Registered number: 04918684

The Directors
VSA Capital Limited
New Liverpool House
15-17 Eldon Street
London EC2M 7LD
Registered number: 02405923

Dear Sirs,

Introduction

We report on the special purpose historic financial information set out in Section B of Part III (the "Financial Information") relating to VSA Capital Group plc ("the Company"). This information has been prepared for inclusion in the AQSE Growth Market admission document dated 3 September 2021 (the "Admission Document") relating to the proposed admission to the AQSE Growth Market of VSA Capital Group Plc and on the basis of the accounting policies set out in note 3. This report is given for the purpose of complying with section 7.3.1 of Appendix 1 to the AQSE Growth Market – Rules for Issuers published by Aquis Exchange Plc and for no other purpose.

Responsibility

The Directors of the Company are responsible for preparing the Financial Information on the basis of preparation set out in the notes to the Financial Information and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

It is our responsibility to form an opinion as to whether the Financial Information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under section 6.3.1 of Appendix 1 to the AQSE Growth Market – Rules for Issuers to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with section 6.3.1 of Appendix 1 to the AQSE Growth Market – Rules for Issuers, consenting to its inclusion in the Admission Document.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the Company and consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Financial Information gives, for the purpose of the Admission Document dated 3 September 2021, a true and fair view of the state of affairs of VSA Capital Group Plc as at 31 March 2021 and of its results, cash flows and changes in equity for the period then ended in accordance with IFRS as adopted by the European Union.

Declaration

For the purposes of Appendix 1: Information for an admission document, section 1.2 of the AQSE Growth Market – Rules for issuers we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with section 1.2 of Appendix 1 of the AQSE Growth Market Rules.

Yours faithfully,

Hilden Park Accountants Limited

Reporting Accountants

Hilden Park House
79 Tonbridge Road
Hildenborough
Kent
TN11 9BH

Date: 3 September 2021

PART III
(B) FINANCIAL INFORMATION

(a) VSA CAPITAL GROUP PLC – CONSOLIDATED RESULTS

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income of the Company for the years ended 31 March 2021 and 31 March 2020 is stated below:

	Notes	2021	2020
		£	£
Turnover		-	6,000
Cost of sales		-	(6,000)
Gross profit		-	-
Administrative expenses		(19,803)	(11,841)
Operating Loss		(19,803)	(11,841)
Finance income	6	213,900	12,887
Finance costs and similar charges		-	-
Profit on ordinary activities before taxation		194,097	1,046
Tax on Profit on ordinary activities	7	-	(8)
Profit for the year		194,097	1,038
Other Comprehensive Income		-	-
Total Comprehensive Income		194,097	1,038

The statement of comprehensive income has been prepared on the basis that all operations in the year ended 31 March 2021 are continuing operations.

There were no discontinued operations during the current financial year. The Company acquired VSA Capital Limited on the last day of the financial year and the group statement of comprehensive income does not include any income from the new wholly-owned subsidiary. Refer to Part III (B) (b) for financial information in relation to the VSA Capital Limited earnings.

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position of the Group is stated below:

		2021	2020
ASSETS	Notes	£	£
Non-current assets			
Property, plant & equipment - owned	8	297,540	-
Property, plant & equipment - right of use	8	11,811	-
Intangible assets	9	1,653,851	-
Investment in subsidiaries	10	-	-
Total non-current assets		<u>1,963,202</u>	<u>-</u>
Current assets			
Investments	11	1,163,492	60,849
Trade and other receivables	12	235,367	8,562
Cash and cash equivalents	13	1,863,785	28,109
Total current assets		<u>3,262,644</u>	<u>97,520</u>
TOTAL ASSETS		<u>5,225,846</u>	<u>97,520</u>
EQUITY AND LIABILITIES			
Share capital	16	3,645,260	135,740
Share premium	16	177,524	2,048
Share-based payments reserve	17	25,786	25,786
Accumulated profits/(losses)		127,202	(66,895)
Total equity		<u>3,975,772</u>	<u>96,679</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	1,055,436	841
Finance liabilities - borrowings	15	136,066	-
Total current liabilities		<u>1,191,502</u>	<u>841</u>
Non-current liabilities			
Finance liabilities - borrowings	15	58,572	-
TOTAL EQUITY AND LIABILITIES		<u>5,225,846</u>	<u>97,520</u>

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Share based payments reserve	Retained Earnings	Total
	£	£	£	£	£
At 31 March 2019	135,740	2,048	27,898	(67,933)	97,753
Total comprehensive income	-	-	(2,112)	1,038	(1,074)
At 31 March 2020	135,740	2,048	25,786	(66,895)	96,679
Share issue	3,509,520	175,476	-	-	3,684,996
Total Comprehensive Income	-	-	-	194,097	194,097
At 31 March 2021	3,645,260	177,524	25,786	127,202	3,975,772

STATEMENT OF CASH FLOWS

	2021	2020
	£	£
Cash flows from operating activities		
Profit before income tax	194,097	1,046
Tax paid	-	(8)
Gains on current asset investments	(213,900)	(12,887)
Decrease in trade / other receivables	6,918	9,802
Increase / (decrease) in trade / other payables	(403)	446
Change in share based payments reserve	-	(2,112)
NET CASH USED IN OPERATING ACTIVITIES	(13,288)	(3,713)
Cash flows from investing activities		
Purchase of subsidiary undertaking	(3,873,996)	-
Proceeds from other investing activities	198,992	44
NET CASH GENERATED FROM INVESTING ACTIVITIES	(3,675,004)	44
Cash flows from financing activities		
Share capital issue	3,684,996	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	3,684,996	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,296)	(3,699)
Cash and cash equivalents at beginning of period	28,109	31,778
Cash acquired with subsidiary undertaking	1,838,972	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,863,785	28,109

The notes form an integral part of this Historic Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 Statutory Information

VSA Capital Group Plc is an unlisted public limited company, limited by shares registered in England and Wales. The Company's registered office is at 4th floor, New Liverpool House, 15-17 Eldon Street, London, EC2M7LD. For more company information, refer to page 2.

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.

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).

Transition to International Financial Reporting Standards (IFRSs)

On 1 April 2020, the Company decided to convert from reporting under FRS102 (Financial Reporting Standard applicable to companies in United Kingdom and Republic of Ireland) to IFRS.

During a review of disclosures under FRS102, no material adjustments were required in order to comply with IFRS and the transitional rules available to new users of IFRS.

Statement of compliance

The financial statements comply with International Financial Reporting Standards as adopted by the European Union.

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 2021 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.

Valuation of investments

The majority of the investments in the Balance Sheet are listed investments and total £1,163,492. 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 £1,274,855 would have been recorded in the financial statements.

Impairment of receivables

Provision has been made against debtors for old debts where the directors believe that it is unlikely that the amount due to be received is unlikely to be recoverable. The amount provided in the Group balance sheet at 31 March 2021 amounts to £314,753 (2020: £nil). The majority of the amount provided is in respect of one customer.

Basis of consolidation

The Group's consolidated financial statements incorporate the financial statements of VSA Private Investments Limited (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.

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 the 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

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.

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 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.

5 Employees and directors

During the year, and the prior year, there were no employees other than the two directors until the year end when VSA Capital Limited was acquired (refer to Part III A (b) for further details). Neither director received any remuneration in either year. The directors have warrants and options as disclosed in note 17.

6 Net finance costs

Finance income: deposit account interest	2021: £nil	2020: £44
Realised gains/(losses) on investments	2021: £213,900	2020: £12,843
Finance costs: finance lease interest	2021: £nil	2020: £nil

7 Taxation

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2021 or for the year ended 31 March 2020. 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:

	2021	2020
	£	£
Profit/(loss) on ordinary activities before tax	194,097	1,046
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	36,878	199
Effects of:		
Tax losses arising in the year		
Prior Year tax losses utilised	(36,878)	(199)
Tax paid on Investment Income	-	8
Tax Charge	-	8

Due to the uncertainty of the timing of taxable profits in the future, a deferred tax asset in respect of the tax losses has not been included in the accounts. Tax losses of £2.8m (2020: £2.8m) have been carried forward as at 31 March 2021. The rate of corporation tax is set to rise to 25% in 2023.

8 Property, plant and equipment

	Leasehold Property	Office Equipment	Furniture and Fittings	Total
	£	£	£	£
Cost				
At 31 March 2019 and 2020	-	-	-	-
Acquired with subsidiary	467,004	64,346	254,711	786,061
At 31 March 2021	467,004	64,346	254,711	786,061
Depreciation				
At 31 March 2019 and 2020	-	-	-	-
Acquired with subsidiary	169,464	52,535	254,711	476,710
At 31 March 2021	169,464	52,535	254,711	476,710
Net book value as at 31 March 2021	297,540	11,811	-	309,351
Net book value as at 31 March 2020	-	-	-	-

The leasehold property with a net book value of £297,540 (2020: £nil) is a right-of-use asset and is disclosed separately on the face of the Balance Sheet.

9 Intangible assets

	£
Cost	
At 1 April 2020	-
Acquired in the year	1,653,851
At 31 March 2021	1,653,851
Amortisation	
At 1 April 2020 and 31 March 2021	-
Net book value	
At 31 March 2021	1,653,851
At 31 March 2020	-

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

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

The investment brought forward is in deferred shares in VSA Capital Limited (which become a subsidiary on 31 March 2021). The deferred shares have no voting rights.

11	Investments	2021	2020
		£	£
	Securities and warrants	1,163,492	60,849

All investments are classified at fair value through profit and loss. The quoted securities comprise equities:

- listed on the London Stock Exchange **£730,676** (2020: £60,849)
- quoted on Aquis **£349,745** (2020: £nil)
- quoted on AIM **£4,350** (2020: £nil)
- unlisted private companies **£20,000** (2020: £nil)
- listed on the Canadian Securities Exchange **£58,721** (2020: £nil)

12	Trade and other receivables	2021	2020
		£	£
	Trade receivables	173,153	-
	Other receivables	62,214	8,562
		235,367	8,562

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 2021 a provision for impairment of £314,753 has been made (2020: £nil).

13	Cash		
		2021	2020
		£	£
	Cash at bank	1,863,785	28,109
14	Trade and other payables		
		2021	2020
		£	£
	Trade payables	349,527	428
	Taxation and social security	111,128	186
	Other payables	2,470	227
	Accruals and deferred income	592,311	-
		1,055,436	841
15	Financial liabilities - borrowings		
		2021	2020
		£	£
	Leases - current	136,066	-
	Leases - non-current (one to two years)	58,272	-

Group finance charges repayable within one year amount to £6,845 (2020: £nil) and repayable between one and five years amounts to £975 (2020: £nil). Gross obligations charges repayable within one year amount to £142,911 (2020: £nil) and repayable between one and five years amounts to £59,547 (2020: £nil).

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.

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.

16 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 Ordinary Shares	Share premium
		£	£
At 1 April 2020 (nominal value £20 per Ordinary share)	6,787	135,740	2,048
Issued on 31 March 2021	175,476	3,509,420	175,476
At 31 March 2021 (nominal value £20 per Ordinary share)	182,263	3,645,260	177,524

17 Share Based Payments Reserve

	2021	2020
	£	£
Opening balance at beginning of the year	25,786	27,898
Share options which have not met vesting conditions	-	(2,112)
Total	25,786	25,786

The Group believes that share ownership by executive directors and senior executives 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.

Options - VSA Capital Group Plc

At 31 March 2021 there were outstanding VSA Capital Private Investment Plc options due to the Directors as follows:

	Number of shares	Granted Date	Exercise Price	Exercise period
Andrew Monk	400	01.06.2014	£150	01.06.2014 to 01.06.2024
	200	05.12.2018	£25	05.12.2018 to 05.12.2028
Andrew Raca	200	01.06.2014	£150	01.06.2014 to 01.06.2024
	200	05.12.2018	£25	05.12.2018 to 05.12.2028

Warrants - VSA Capital Limited

On 31 March 2021, there were 67,000 warrants in issue to subscribe for ordinary shares of the company (2020: 67,000). The warrants were issued in lieu of deferred directors compensation. The exercise price on all warrants is £1 per share. The warrants were issued on 30 September 2017 and have no vesting date.

As at 31 March 2021, current directors, Andrew Monk held 26,000 warrants and Andrew Raca held 41,000 warrants.

The movement in share-based payment reserve for warrants was £nil (2020: £1,838).

18 Ultimate controlling party

The company has no ultimate controlling party.

19 Acquisition of VSA Capital Limited

On 31 March 2021 VSA Capital Group Plc (VPI) 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 advice and research and broking services. As a result of this transaction VPI owned 100% of VSA at the year-end date. The new business combination puts the combined entity back into the position it was before it delisted and demerged back in 2015 due to the exceptionally difficult market conditions. The combined business will be more easily managed and will give shareholders a cleaner structure and a better route to providing a liquidity event.

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 VPI)	3,684,996
Fair value of total consideration transferred	3,684,996
Fair value of VPI'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

20 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 2021, there were £79,316 of overdue trade receivables (2020: £406,256). No other financial assets were past due or were impaired except as described below.

Categories of financial instruments at 31 March 2021

Financial assets

Financial assets at amortised costs:

Trade and other receivables: £235,367 (2020: £8,562)

Cash and bank balances: £1,863,785 (2020: £28,109)

Financial assets at fair value through profit and loss: £1,163,492 (2020: £60,849)

Total Financial assets £3,160,430 (2020: £1,776,423)

Financial liabilities

Financial liabilities at amortised cost:

Trade and other payables: £1,055,436 (2020: £841)

Lease liabilities £194,638 (2020: £324,431)

Total Financial liabilities £1,249,636 (2020: £733,780)

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 £34,950 of cash at bank and in hand (2020: £60,646) and £1,804,022 of deposits at call (2020: £62,221). 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 £349,309 (2020: £225,734), taxes and social security of £31,909 (2020: £31,909), other receivables of £2,250 (2020: £15,298) and accruals and deferred income of £592,311 (2020: £136,408). 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 2021 is £194,638 (2020: £324,431). £136,066 (2020: £129,791) is shown as a current liability due within a year and £58,572 (£188,023) 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 exposed 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 £1,055,436 in respect of the group and £841 in respect of the company (2020: £438 group, £841 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 £194,638 at 31 March 2021 - the contractual undiscounted cash flows in respect of group borrowing amount to £202,458 of which £142,911 is repayable within one year and £59,547 is repayable between one and five years. There were no group borrowings in the prior year and there were no company borrowing at this or the previous year-ends.

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 group held listed equities valued with a fair value of £1,143,492 (2020: £60,849). The sensitivity to significant movements in Global Equity Market Indices are as follows:

Global Equity Market Indices	2021	2020
+ 5%	57,175	3,042
- 5%	(57,175)	(3,042)
-10%	(114,349)	(6,085)
-15%	(171,524)	(9,127)

The above sensitivities are calculated with reference to equities held on 31 March 2021. The volume and sector mix of the group's equity portfolio will change depending on group's investment appetite and availability of funding.

Fair value measurements recognised in the statement of financial position

The following table 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	1,143,492	-	-	1,143,492
Unquoted securities	-	-	20,000	20,000

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 of 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

21 Related party transactions

VSA Capital Limited

During the year, the company received invoices totalling £7,513 (2020: £15,000) 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 original shareholders of VSA together own 96.3% of the enlarged entity. The deal was completed on 31 March 2021. VSA Capital Group Plc now owns 100% of VSA Capital Limited.

22 Subsequent Events

On 29 July 2021 the existing 182,263 ordinary shares of £20 each in the issued share capital of the company were sub-divided into 18,226,300 ordinary shares of 20p each and were then redesignated into 18,226,300 ordinary shares of 1p each, being subject to the same restrictions as the existing ordinary shares, and 18,226,300 deferred shares of 19p each, having the rights and being subject to the restrictions set out in the new Articles of Association.

The company has 4,550,600 share options and 6,471,500 warrants as detailed below:

Number of Options	Exercise Price per Ordinary Share (pence)	Expiry Date/Exercise Period	
557,300	2.33	1 April 2031	
450,200	4.66	1 April 2031	
471,500	10.15	1 April 2031	
1,071,500	11.66	1 April 2031	
193,100	16.33	1 June 2031	
1,740,000	21.00	1 June 2031	
67,000	25.00	1 April 2031	

Holder	Number of Warrants	Exercise Price per Ordinary Share (pence)	Expiry Date/Exercise Period
Andrew Monk	2,914,300	2.33	Unlimited
Andrew Raca	3,557,200	2.33	Unlimited
Total	6,471,500		

(b) VSA CAPITAL LIMITED – COMPANY ONLY RESULTS

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income of VSA Capital Limited for the years ended 31 March 2021 and 31 March 2020 is stated below:

	Notes	2021	2020
		£	£
Turnover		2,978,468	2,136,521
Cost of sales		(140,471)	(115,608)
Gross profit		2,837,997	2,020,913
Other operating income		69,000	81,000
Administrative expenses		(2,785,464)	(1,925,511)
Operating Profit		121,533	176,402
Finance income	5	637,564	107,294
Finance costs and similar charges		(13,181)	(5,340)
Profit on ordinary activities before taxation		745,916	278,356
Tax on Profit on ordinary activities	7	(409)	(67)
Profit for the year		745,507	278,289
Other Comprehensive Income			
Share based payments		(2,711)	(1,179)
Total Comprehensive Income		742,796	277,110

The statement of comprehensive income has been prepared on the basis that all operations in the year ended 31 March 2021 are continuing operations.

There were no discontinued operations during the current financial year. The company was acquired by VSA Capital Group Plc on the last day of the financial year and the group statement of comprehensive income consolidates the balance sheet position but does not include any of the above earnings.

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position of VSA Capital Limited at 31 March 2021 and 31 March 2020 is stated below:

	Notes	2021	2020
		£	£
ASSETS			
Non-current assets			
Property, plant & equipment - owned	8	11,811	10,068
Property, plant & equipment - right of use	8, 17	297,540	424,638
Total non-current assets		<u>309,351</u>	<u>434,706</u>
Current assets			
Investments	9	1,087,735	197,446
Trade and other receivables	10	233,723	1,456,110
Cash and cash equivalents	11	1,838,972	122,867
Total current assets		<u>3,160,430</u>	<u>1,776,423</u>
TOTAL ASSETS		<u>3,469,781</u>	<u>2,211,129</u>
EQUITY AND LIABILITIES			
Share capital	12	1,632,307	1,632,307
Share premium	13	1,268,575	1,268,575
Other reserves	13	-	2,711
Accumulated profits/(losses)	13	(680,737)	(1,426,244)
Total equity		<u>2,220,145</u>	<u>1,477,349</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	1,054,998	409,349
Finance liabilities - borrowings	15	136,066	129,791
Total current liabilities		<u>1,191,064</u>	<u>539,140</u>
Non-current liabilities			
Finance liabilities - borrowings	15	58,572	194,640
TOTAL EQUITY AND LIABILITIES		<u>3,469,781</u>	<u>2,211,129</u>

STATEMENT OF CHANGES IN EQUITY

	Share Capital £	Share Premium £	Other reserves £	Retained Earnings £	Total £
At 31 March 2019	1,632,096	1,268,575	3,890	(1,704,533)	1,200,028
Issue of share capital	211	-	-	-	211
Total comprehensive income	-	-	(1,179)	278,289	277,110
At 31 March 2020	1,632,307	1,268,575	2,711	(1,426,244)	1,477,349
Total Comprehensive Income	-	-	(2,711)	745,507	742,796
At 31 March 2021	1,632,307	1,268,575	-	(680,737)	2,220,145

STATEMENT OF CASH FLOWS

	2021 £	2020 £
Cash flows from operating activities		
Profit before income tax	745,916	278,356
Tax paid	(409)	(67)
Depreciation and amortisation	133,034	47,326
Profit on disposal of fixed assets	(1,935)	-
Loss on revaluation of fixed assets	3,870	-
Finance costs	144	351
Finance income	(637,564)	(107,294)
(Increase) / decrease in trade / other receivables	1,222,387	(819,897)
Increase in trade / other payables	645,649	29,433
Change in share based payments reserve	-	(1,179)
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,111,092	(572,971)
Cash flows from investing activities		
Purchase of tangible fixed assets	(7,679)	(475,713)
Sale of fixed asset investments	-	21,640
Purchase of current asset investments	(797,431)	-
Sale of current asset investments	542,627	-
NET CASH GENERATED FROM INVESTING ACTIVITIES	(262,483)	(454,073)
Cash flows from financing activities		
Finance lease liability	(129,793)	324,428
Share capital issue	-	720,068
Share based payments	(2,711)	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	(132,504)	1,044,496
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	1,716,105	17,452
Cash and cash equivalents at beginning of period	122,867	105,415
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,838,972	122,867

The notes form an integral part of this Historic Financial Information.

1 STATUTORY INFORMATION

VSA Capital Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2 ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial 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.

The presentational and functional currency of the company is Sterling.

Going concern

The continuing operations of the Company had cash and cash equivalents of £1,838,972 as at 31 March 2021, having seen a net increase in cash and cash equivalents in the year then ended of £1,716,105 and on that date had retained losses totalling £680,737.

Management has prepared forecasts for the Company which shows that sustainable cash flows will be generated from the company's activities.

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 it is unlikely that the amount due to be received is unlikely to be recoverable. The amount provided at 31 March 2021 amounts to £314,753 (2020: £nil). The majority of the amount provided is in respect of one customer.

Valuation of investments

The majority of the financial assets relate to listed investments and total £1,087,735. Note 9 to the financial statements shows that these investments are primarily listed investments. These investments have a listed 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 £1,199,098 would have been recorded in the financial statements.

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.

The company 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.

See note 3 for a detailed breakdown of income.

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.

Revenue from Stock Exchange transactions are determined under the principles of trade date accounting.

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.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- Over remaining term of lease
Fixtures & fittings	- 20% on cost
Office equipment	- 33% straight line

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.

Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

Taxable profit differs from net profit as reported in the Statement of Comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The liability for income tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all chargeable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Foreign currencies

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.

Leases

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.

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.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Statement of compliance

The financial statements comply with International Financial Reporting Standards as adopted by the European Union.

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 2021 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.

Financial assets

Investments are recognised and derecognised on trade date. Financial assets are classified into the following specific 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.

Financial assets at fair value through profit or loss

Financial assets are held at fair value through profit or loss (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 financial 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 Company.

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 Company 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 Company 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. The impairment is the difference between the assets 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 Company 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.

Share based payments

The cost to the company of non-monetary employee benefits are accrued over the period in which the employees of the company render the associated services. The fair value of share-based payments recognised in the income statement is measured by use of the Black Scholes model, which considers conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted based on management's best estimate for the effect of non-transferability, exercise restrictions, and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour based on past experience and future expectations.

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 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.

Consolidated financial statements

These financial statements are for VSA Capital Limited only and do not reflect the results of its subsidiaries. Consolidated financial statements are not required on the basis that all subsidiary companies are immaterial individually and in aggregate to the VSA group.

3 Revenue

	2021 £	2020 £
Segmental reporting		
Corporate Finance Fees	2,193,200	1,480,758
Broking Fees	527,057	473,189
Bond trading	156,873	102,415
Research Fees	93,124	68,846
Other income	8,214	11,313
TOTAL	<u>2,978,468</u>	<u>2,136,521</u>

4 Employees and directors

	2021 £	2020 £
Wages and salaries	1,620,541	891,134
Social security costs	172,476	116,287
Pension	29,228	24,330
	<u>1,822,245</u>	<u>1,031,751</u>

The average monthly number of employees, including directors, employed by the Company during the year were:

	2021	2020
Directors	3	3
Corporate Finance	7	5
Research and sales	7	5
Accounts and administration	2	1
Total	19	14

The total emoluments of the directors were:

	2021	2020
	£	£
Emoluments	687,770	251,130
Pension contributions to money purchase schemes	9,870	7,830
	697,640	258,960

Two directors received contributions from the Company towards retirement benefits which accrue under money purchase schemes.

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Directors Emoluments (excluding Pension)	302,500	131,505
Pension contributions	4,110	4,080
	306,610	135,585

5 Net finance income

	2021	2020
	£	£
Finance income:		
Deposit account interest	144	351
Gains on Sale of Investments	637,420	106,943
	637,564	107,294
Finance costs:		
Finance lease interest	13,181	5,340
	624,383	101,954

6 Operating profit

Operating profit is stated after charging:

	2021	2020
	£	£
Cost of inventories recognised as expense	140,471	115,608
Depreciation - owned assets	5,936	4,960
Depreciation - assets on hire purchase contracts	127,098	42,366
Auditors' remuneration	25,500	18,500
Foreign exchange differences	4,806	(2,384)

7 Taxation

	2021	2020
	£	£
Company current tax charge	409	67
Total tax expense in statement of profit or loss and other comprehensive income	409	67

The tax charge for the period is different from the standard rate of corporation tax in the United Kingdom of 19% (2020: 19%). The difference can be reconciled as follows:

Profit before taxation	745,916	278,356
Tax calculated at the applicable rate based on profit/(loss) for the period	141,724	52,888
Expenses not deductible for taxation:		
Depreciation not deductible	25,277	8,992
Entertaining	401	3,930
Capital allowances	(1,480)	(3,459)
Trading losses brought forward utilised against same trade	(164,998)	(62,284)
Share based payments	(515)	-
Tax expense	409	67

8 Property, plant and equipment

	Short Leasehold	Office Equipment	Furniture and Fittings	Total
	£	£	£	£
Cost				
At 1 April 2020	467,004	56,667	254,711	778,382
Additions	-	7,679	-	7,679
At 31 March 2021	467,004	64,346	254,711	786,061
Depreciation				
At 1 April 2020	42,366	46,599	254,711	343,676
Charge for the year	127,098	5,936	-	133,034
At 31 March 2021	169,464	52,535	254,711	476,710
Net book value as at 31 March 2021	297,540	11,811	-	309,351
Net book value as at 31 March 2020	424,638	10,068	-	434,706

The leasehold property with a net book value of £297,540 (2020: £424,638) is a right of use asset.

9 Investments

	2021 £	2020 £
Securities and warrants	1,087,735	197,446

All investments are classified at fair value through profit and loss. The quoted securities comprise equities:

- listed on the London Stock Exchange **£654,919** (2020: £54)
- quoted on Aquis **£349,745** (2020: £186,040)
- quoted on AIM **£4,350** (2020: £nil)
- unlisted private companies **£20,000** (2020: £nil)
- listed on the Canadian Securities Exchange **£58,721** (2020: £11,352)

10 Trade and other receivables

	2021	2020
	£	£
Trade receivables	173,153	1,289,427
Other receivables	5,013	12,335
VAT	-	21,959
Prepayments and accrued income	55,557	132,389
	233,723	1,456,110

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 2021 a provision for impairment of £314,753 has been made (2020: £25,267). Last years provision was received in full during the year.

11 Cash

	2021	2020
	£	£
Cash at bank	1,838,972	122,867

The Company has no overdraft facilities or any other lines of credit from banks.

12 Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
418,466	Ordinary	£0.001	418	418
1,011,096	Deferred	£1	1,011,096	1,011,096
207	Deferred	£2,999	620,793	620,793
			1,632,307	1,632,307

The Company issued a total of 211,466 ordinary shares during the financial year ended 31 March 2020.

The £1 deferred shares carry no voting rights and holders shall not be entitled to participate in any dividend paid or made by the company. On a return of capital upon liquidation or otherwise, the surplus assets of the company after payment of all liabilities, deferred shareholders will receive up to £1 per deferred share only after ordinary shareholders have received at least £1,000,000 per ordinary share.

The £2,999 deferred shares carry no voting rights and holders shall not be entitled to participate in any dividend paid or made by the company. On a return of capital upon liquidation or otherwise, the surplus assets of the company after payment of all liabilities, deferred shareholder will receive up to £1 per deferred share only after ordinary shareholders have received at least £1,500,000,000,000 per ordinary share.

13 Reserves

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 April 2020	(1,426,244)	1,268,575	2,711	(154,958)
Profit for the year	745,507	-	-	745,507
Movement in share based payment reserve	-	-	(2,711)	(2,711)
At 31 March 2021	<u>(680,737)</u>	<u>1,268,575</u>	<u>-</u>	<u>587,838</u>

14 Trade and other payables

	2021 £	2020 £
Trade payables	349,309	225,734
Social security and other taxes	111,128	31,909
Other payables	2,250	15,298
Accruals and deferred income	592,311	136,408
	<u>1,054,998</u>	<u>409,349</u>

15 Financial liabilities - borrowings

	2021 £	2020 £
Leases – current (see note 17)	<u>136,066</u>	<u>129,791</u>
Leases - non-current - one to two years (see Note 17)	<u>58,272</u>	<u>194,640</u>

Terms and debt repayment schedule

	Less than 1 year £	1 – 2 years £	Totals £
Leases	<u>136,066</u>	<u>58,572</u>	<u>194,638</u>

16 Leasing

Right-of-use assets

Property, plant and equipment

	2021 £	2020 £
Cost		
At 1 April 2020	467,004	-
Additions	-	467,004
At 31 March 2021	467,004	467,004
Depreciation		
At 1 April 2020	42,366	-
Charge for year	127,098	42,366
At 31 March 2021	169,464	42,366
Net book value	297,540	424,638

Lease liabilities

Minimum lease payments fall due as follows:

	2021 £	2020 £
Gross obligations repayable		
Within one year	142,911	142,912
Between one and five years	59,547	202,460
	202,458	345,372
Finance charges repayable:		
Within one year	6,845	13,121
Between one and five years	975	7,820
	7,820	20,941
Net obligations repayable:		
Within one year	136,066	129,791
Between one and five years	58,572	194,640
	194,638	324,431

17 Financial instruments

The Company'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 2021, there were £79,316 of overdue trade receivables (2020: £406,256). No other financial assets were past due or were impaired except as described below.

Categories of financial instruments at 31 March 2021

Financial assets

Financial assets at amortised costs

Trade receivables £173,153 (2020: £1,289,427)

Other financial assets at amortised cost £60,570 (2020: £166,683)

Cash and cash equivalents £1,838,972 (2020: £122,867)

Financial assets at fair value through profit and loss £1,087,735 (2020: £197,446)

Total Financial assets £3,160,430 (2020: £1,776,423)

Financial liabilities

Financial liabilities at amortised cost

Trade and other payables £1,054,998 (2020: £409,349)

Lease liabilities £194,638 (2020: £324,431)

Total Financial liabilities £1,249,636 (2020: £733,780)

The company'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 £34,950 of cash at bank and in hand (2020: £60,646) and £1,804,022 of deposits at call (2020: £62,221). 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 £349,309 (2020: £225,734), taxes and social security of £111,128 (2020: £31,909), other receivables of £2,250 (2020: £15,298) and accruals and deferred income of £592,311 (2020: £136,408). 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 2021 is £194,638 (2020: £324,431). £136,066 (2020: £129,791) is shown as a current liability due within a year and £58,572 (£194,640) 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 exposed 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 Company 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.

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 £1,067,735 (2020: £184,345). The sensitivity to significant movements in Global Equity Market Indices are as follows:

Global Equity Market Indices	2021	2020
+ 5%	53,387	9,217
- 5%	(53,387)	(9,217)
-10%	(106,773)	(18,434)
-15%	(160,160)	(27,651)

The above sensitivities are calculated with reference to equities held on 31 March 2021. 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 following table 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	1,067,735	-	-	1,067,735
Unquoted securities	-	-	20,000	20,000

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 of 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

18 Related party transactions

VSA Capital Private Investments Plc

During the year, the company raised invoices totalling £7,513 (2020: £15,000) to VSA Capital Private Investments Plc for financial advisory services and recharge of directors' fees.

The shareholders of VSA Capital Limited acquired control of VSA Capital Private Investments plc in a reverse takeover and the original shareholders of VSA together own 96.3% of the enlarged entity. The deal was completed on 31 March 2021. VSA Capital Private Investments plc now owns 100% of VSA Capital Limited. Copies of the group consolidated accounts can be obtained from the registered office as listed on the company information page.

China Mining Club Limited

China Mining Club Limited, trading as China Mining Club, was launched in conjunction with other parties, to provide services to mining companies internationally, giving them access to the Chinese mining community and market intelligence. VSA Capital Limited own 100% of China Mining Club Limited. During the current financial year, VSA Capital Limited raised invoices totalling £12,700 to China Mining Club Limited for disbursements and service charges (2020: £nil).

19 Subsequent events

There are no subsequent events which require disclosure.

20 Share-based payment transactions

The Company had a share ownership compensation scheme for staff of the company whereby staff were issued with either warrants or options to purchase ordinary shares in the Company. On 31 March 2021 the company was purchased by VSA Capital Investments plc and it was agreed to cancel the company options and issue new options to staff in the new holding company.

Warrants - As at 31 March 2021, there were 67,000 warrants in issue to subscribe for ordinary shares of the company (2020: 67,000). The warrants were issued in lieu of deferred directors compensation. The exercise price on all warrants is £1 per share. The warrants were issued on 30 September 2017 and have no vesting date. As at 31 March 2021 (and 2020), current directors, Andrew Monk held 26,000 warrants and Andrew Raca held 41,000 warrants. The movement in share-based payment reserve for warrants was £2,711 (2020: £1,838).

Options - As at 31 March 2020, the previous year end, there were 118,000 share options in issue to purchase ordinary shares of the company. The options had been issued to staff and service providers in lieu of performance based payments. Options are issued as an incentive to deliver long-term shareholder returns.

(c) PRO FORMA FINANCIAL INFORMATION AND ACCOUNTANT'S REPORT

The Directors
VSA Capital Group Plc
New Liverpool House
15-17 Eldon Street
London EC2M 7LD
Registered number: 04918684

The Directors
VSA Capital Limited
New Liverpool House
15-17 Eldon Street
London EC2M 7LD
Registered number: 02405923

Dear Sirs

PRO FORMA STATEMENT OF EARNINGS OF VSA CAPITAL GROUP PLC (the "Company")

We report on the pro forma financial information which has been prepared on the basis described below for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements at 31 March 2021. This report is prepared for the purpose of complying with section 6.7.1 of Appendix 1 to the AQSE Growth Market – Rules for Issuers published by Aquis Exchange Plc and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the pro forma statement of earnings information.

It is our responsibility to form an opinion as to the proper compilation of the pro forma financial information and to report that opinion to you in accordance with section 6.7.1 of Appendix 1 to the AQSE Growth Market – Rules for Issuers published by Aquis Exchange.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement consenting to its inclusion in the admission document.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their use.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma statement of earnings with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Appendix 1: Information for an admission document, section 1.2 of the AQSE Growth Market – Rules for issuers we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with section 1.2 of Appendix 1 of the AQSE Growth Market Rules.

Yours faithfully

Hilden Park Accountants Limited
Reporting Accountants

Hilden Park House
79 Tonbridge Road
Hildenborough
Kent
TN11 9BH

Date: 3 September 2021

Unaudited pro forma statement of aggregated earnings of VSA Capital Group Plc

Set out below is an unaudited pro forma statement of aggregated earnings of the Group (“Unaudited Pro Forma Financial Information”) for the year to 31 March 2021. The unaudited Pro Forma Financial Information has been prepared on the basis set out in the notes below to illustrate the effect of the Acquisition and Subscription on the financial information of VSA Capital Group Plc and VSA Capital Limited when combined as if the acquisition had taken place as at 1 April 2020 rather than the actual acquisition date of 31 March 2021. Because of the nature of pro forma financial information, this unaudited pro forma statement of aggregated earnings addresses a hypothetical situation and does not therefore represent the actual earnings position of the Group for the year to 31 March 2021. The pro forma statement of aggregated earnings has been prepared on the basis described in the notes set out below and after making the adjustments described in those notes.

	VSA Capital Group Plc	VSA Capital Ltd	Consolidation adjustments	Pro forma earnings (unaudited)
	(1)	(2)	(3)	
	£	£	£	£
Turnover	-	2,978,468	(7,513)	2,970,955
Cost of sales	-	(140,471)	-	(140,471)
Gross profit	-	2,837,997	(7,513)	2,830,484
Other operating income	-	69,000	-	69,000
Administrative expenses	(19,803)	(2,785,464)	-	(2,805,267)
Operating Profit	(19,803)	121,533	(7,513)	94,217
Finance income	213,900	637,564	(180,000)	671,464
Finance costs and similar charges	-	(13,181)	-	(13,181)
Profit on ordinary activities before taxation	194,097	745,916	(187,513)	752,500
Tax on Profit on ordinary activities	-	(409)	-	(409)
Profit for the year	194,097	745,507	(187,513)	752,091

Notes

- (1) The VSA Capital Group Plc statement of earnings has been extracted without material adjustment from the financial statements at 31 March 2021 audited by Hilden Park Accountants Limited.
- (2) The VSA Capital Ltd statement of earnings has been extracted without material adjustment from the financial statements at 31 March 2021 audited by Hilden Park Accountants Limited.
- (3) Adjustment has been made for the sales between VSA Capital Ltd and VSA Capital Group Plc as referred to in Part III B (b) Note 20 as well as the increase in value of VSA Capital Group Plc’s holding in VSA Capital Ltd which would have otherwise been eliminated on consolidation.

**PART IV
ADDITIONAL INFORMATION**

1. Responsibility

- 1.1. The Directors and Proposed Directors, whose names appear on page 12 of this Document, accept full responsibility, collectively and individually, for the information contained in this Document. To the best of the Directors' and Proposed Directors' knowledge and belief (who have each taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and contains no omission likely to affect its import.

2. The Company

- 2.1. The Company was incorporated in England and Wales as a public limited company under the Companies Act 2006 on 1 October 2003 with the name Formjet Public Limited Company, with company number 04918684.
- 2.2. On 27 July 2004, the Company changed its name to Formjet plc.
- 2.3. On 4 March 2010, the Company changed its name to Third Quad Capital plc.
- 2.4. On 14 February 2011, the Company changed its name to VSA Capital Group plc.
- 2.5. On 27 May 2015, the Company changed its name to Resource, Reserve Recovery plc.
- 2.6. On 29 October 2018, the Company changed its name to VSA Capital Private Investments plc.
- 2.7. On 29 July 2021, the Company passed a special resolution to change its name to VSA Capital Group plc.
- 2.8. The Company is a public limited company and, accordingly, the liability of its members is limited. The principal legislation under which the Company operates is the Companies Act, the laws of England and Wales and the regulations made thereunder.
- 2.9. The registered office of the Company is at New Liverpool House, 15-17 Eldon Street, London EC2M 7LD, United Kingdom.
- 2.10. The telephone number of the Company is +44 (0)20 3005 5000.
- 2.11. The legal entity identifier of the Company is 213800Z2XMFUEK3OYN85.
- 2.12. The accounting reference date of the Company is 31 March.
- 2.13. Other than set out in this Document, as at the date of this Document, the Company has no subsidiaries or interests in the shares of any undertaking.
- 2.14. The Company acts as the ultimate holding company for two wholly owned subsidiaries, VSA Capital Limited and a dormant subsidiary, VSA Private Capital Investments Limited (the **Group**).

3. The Group

- 3.1. As the date of this Document, the Company has the following subsidiaries:

Name of Subsidiary	Place of Incorporation	Ownership
VSA Capital Limited (Company no. 02405923)	United Kingdom	100%
VSA Private Capital Investments Limited (Company no. 13485109)	United Kingdom	100%

4. Share Capital

- 4.1. As at the date of this Document, the Company has 18,226,300 Ordinary Shares of 1 pence each and 18,226,300 Deferred Shares of 19 pence each. The Deferred Shares have been compulsorily acquired by the Company Secretary. 1,337,400 Ordinary Shares are held in treasury.
- 4.2. The Company was incorporated with a share capital of £100,000 divided into 100,000 Ordinary Shares with a par value of £1.
- 4.3. Since the date of its incorporation, the Company has:
 - 4.3.1. sub-divided its two issued and the 99,998 authorised but unissued ordinary shares of £1 each in the Capital of the Company into 10,000,000 Ordinary Shares of £0.01 each on 24 December 2003;
 - 4.3.2. increased its authorised share capital of the Company to £1,000,000 by the creation of additional 90,000,000 ordinary shares of £0.01 each on 24 December 2003;
 - 4.3.3. issued and allotted 4,946,505 Ordinary Shares of £0.01 each on 24 December 2003;
 - 4.3.4. issued and allotted 5,000,000 Ordinary Shares of £0.01 each on 24 December 2003;
 - 4.3.5. issued and allotted 4,714,214 Ordinary Shares of £0.01 each on 12 February 2004;
 - 4.3.6. sub-divided each Ordinary Share of £0.01 each in the capital of the Company into 5 Ordinary Shares of 0.2 pence each on 20 August 2004;
 - 4.3.7. issued and allotted 16,551,728 Ordinary Shares of 0.2 pence each on 27 August 2004;
 - 4.3.8. issued and allotted 2,418,540 Ordinary Shares of 0.2 pence each on 16 March 2005;
 - 4.3.9. issued and allotted 13,450,000 Ordinary Shares of 0.2 pence each on 3 May 2005;
 - 4.3.10. issued and allotted 6,000,000 Ordinary Shares of 0.2 pence each on 28 August 2005;
 - 4.3.11. issued and allotted 1,115,020 Ordinary Shares of 0.2 pence each on 12 July 2006;
 - 4.3.12. issued and allotted 41,666,667 Ordinary Shares of 0.2 pence each on 24 October 2006;
 - 4.3.13. issued and allotted 380,120 Ordinary Shares of 0.2 pence each on 7 January 2008;
 - 4.3.14. issued and allotted 120,000,000 Ordinary Shares of 0.2 pence each on 30 July 2008;
 - 4.3.15. sub-divided each Ordinary Share of 0.2 pence each in the capital of the Company into one Ordinary Share of 0.01 pence each and one deferred share of 0.19 pence each on 29 August 2009;
 - 4.3.16. issued and allotted 100,000,000 Ordinary Shares of 0.01 pence each on 8 July 2009;
 - 4.3.17. issued and allotted 40,000,000 Ordinary Shares of 0.01 pence each on 17 March 2010;
 - 4.3.18. issued and allotted 60,000,000 Ordinary Shares of 0.01 pence each on 12 August 2010;
 - 4.3.19. issued and allotted 50,000,000 Ordinary Shares of 0.01 pence each on 20 August 2010;
 - 4.3.20. issued and allotted 40,000,000 Ordinary Shares of 0.01 pence each on 20 September 2010;
 - 4.3.21. issued and allotted 36,000,000 Ordinary Shares of 0.01 pence each on 3 November 2010;
 - 4.3.22. issued and allotted 40,000,000 Ordinary Shares of 0.01 pence each on 23 November 2010;
 - 4.3.23. issued and allotted 35,000,000 Ordinary Shares of 0.01 pence each on 17 February 2011;
 - 4.3.24. issued and allotted 45,666,667 Ordinary Shares of 0.01 pence each on 28 August 2011;
 - 4.3.25. consolidated all 696,819,812 of 0.01 pence in the capital of the Company to 34,840,990 Ordinary Shares of 0.2 pence each in the capital of the Company on 28 July 2011;

- 4.3.26. issued and allotted 8,835,007 Ordinary Shares of 0.2 pence each on 5 January 2012;
- 4.3.27. reduced its share premium account on 25 January 2012;
- 4.3.28. issued and allotted 6,687,640 Ordinary Shares of 0.2 pence each on 18 April 2012;
- 4.3.29. issued and allotted 11,495,800 Ordinary Shares of 0.2 pence each on 30 January 2014;
- 4.3.30. on 31 March 2015, VSA Limited demerged from the Company by way of a dividend *in specie*.
- 4.3.31. cancelled its share premium account on 29 April 2015;
- 4.3.32. issued and allotted 5,810,000 Ordinary Shares of 0.2 pence each on 3 September 2015;
- 4.3.33. issued and allotted 200,000 Ordinary Shares of 0.2 pence each on 24 December 2015;
- 4.3.34. issued and allotted 564 Ordinary Shares of 0.2 pence each on 20 July 2018;
- 4.3.35. consolidated all 67,870,000 of 0.2 pence in the capital of the Company to 6,787 Ordinary Shares of £20 each in the capital of the Company on 24 July 2018;
- 4.3.36. reduced its share premium account on 15 August 2018;
- 4.3.37. issued and allotted 175,476 Ordinary Shares of £20 each on 31 March 2021;
- 4.3.38. On 31 March 2021, the Company became a holding company for VSA Capital Limited.
- 4.3.39. sub-divided all 182,263 Ordinary Shares of £20 in the capital of the Company into 18,226,300 Ordinary Shares of £0.20 each in the capital of the Company on 29 July 2021;
- 4.3.40. sub-divided each Ordinary Share of £0.20 each in the capital of the Company into 1 Ordinary Share of 1 pence each and 1 deferred shares of 19 pence each.
- 4.3.41. On 3 September 2021, the Company conditionally allotted 1,202,666 new Ordinary Shares to Subscribers pursuant to the terms of the Subscription at the Issue Price.
- 4.4. The issued share capital of the Company as at the date of this Document and immediately following Admission are and will be as follows:

	Nominal value	Issued and fully paid at the date of this Document	Issued and fully paid at Admission
Ordinary Shares	1 pence each	18,226,300	19,428,966
Deferred Shares	19 pence each	18,226,300	18,226,300

- 4.5. Save as disclosed in this Document:
 - 4.5.1. no issued Ordinary Shares of the Company are under option or have been agreed conditionally or unconditionally to be put under option;
 - 4.5.2. no Ordinary Share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
 - 4.5.3. no commission, discount, brokerage or any other special term has been granted by the Company is now proposed in connection with the issue or sale of any part of the Ordinary Share or loan capital of the Company;
 - 4.5.4. no persons have preferential subscription rights in respect of any Ordinary Share or loan capital of the Company or any subsidiary; and

- 4.5.5. no amount or benefit has been paid or is to be paid or given to any promoter of the Company.
- 4.6. Application will be made for the Ordinary Shares to be listed on the Access segment of the AQSE Growth Market. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on, any other stock exchange or securities market.
- 4.7. As at the date of this Document, the Company will have no short, medium or long-term indebtedness.

5. Options and Warrants

- 5.1. As at the date of this Document, and on Admission, the Company has Options in issue as follows:

	Number of Options	Exercise Price per Ordinary Share (pence)	Expiry Date/Exercise Period
	557,300	2.33	1 April 2031
	450,200	4.66	1 April 2031
	471,500	10.15	1 April 2031
	1,071,500	11.66	1 April 2031
	193,100	16.33	1 June 2031
	1,740,000	21.00	1 June 2031
	67,000	25.00	1 April 2031
Total:	4,550,600		

- 5.2. As at the date of this Document, and on Admission, the Company has the following Warrants in issue.

Holder	Number of Warrants	Exercise Price per Ordinary Share (pence)	Expiry Date/Exercise Period
Andrew Monk	2,914,300	2.33	Unlimited
Andrew Raca	3,557,200	2.33	Unlimited
Total	6,471,500		

6. General Meeting and Authorities Relating to the Ordinary Shares

- 6.1. A general meeting of the Company took place on 29 July 2021, at which the Company passed various resolutions relating to the share capital of the Company:
- 6.1.1. THAT the terms of the agreements between the Company and the individuals named in such agreements for the purchase by the Company, in the proportion set out in the agreements, of up to 13,431 ordinary shares of £20 each in aggregate in the capital of the Company for a total consideration of £134,310 as set out in the agreements produced to the meeting and signed by the chairman of the meeting for the purposes of identification ("**Agreements**") be approved and the Company's entry into the Agreements be ratified.
- 6.1.2. THAT the name of the Company be changed to VSA Capital Group plc.
- 6.1.3. THAT, with effect from 6.00 p.m. on 29 July 2021 (or such other time or date as the Board of Directors of the Company may determine):
- (a) the 182,263 existing ordinary shares of £20 each in the issued share capital of the Company ("**Existing Ordinary Shares**") on the register of members of the Company as at 6.00 p.m. on 29 July 2021 be and is hereby (i) sub-divided into 18,226,300 ordinary shares of 20p each and (ii) then each ordinary share of 20p each be sub-divided and redesignated into 18,226,300 ordinary shares of 1p each ("**New Ordinary Shares**"), having the same rights and being subject to the same restrictions (save as to the nominal value) as the Existing Ordinary Shares and 18,226,300 deferred shares of 19p each ("**Deferred Shares**"), having the rights and being

subject to the restrictions set out in the new articles of association of the Company proposed to be adopted pursuant to paragraph 3(b) below; and

- (b) the draft new articles of association and for the purposes of identification, initialled by the Chairman be adopted as the new articles of association of the Company in substitution for and to the exclusion of the Company's existing articles of association.

7. Articles of Association

Set out below is a summary of the provisions of the Articles adopted on 29 July 2021. A copy of the Articles is available for inspection on the Company's website at www.vsacapital.com

7.1. Objects

The objects of the Company, in accordance with s.31(1) of the Companies Act, are unrestricted.

7.2. Limited Liability

The liability of the members is limited to the amount, if any, unpaid on the shares in the Company respectively held by them.

7.3. Change of Name

The Company may change its name by resolution of the Board.

7.4. Share Capital

Subject to the Companies Acts and to any rights attaching to existing shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution determine, or if no ordinary resolution has been passed or so far as the resolutions does not make specific provision, as the Board may determine.

Subject to the Companies Acts and to any rights attaching to existing shares, any share may be issued which can be redeemed or is liable to be redeemed at the option of the Company or the holder. The Board may determine the terms, conditions and manner of redemption of any redeemable shares which are issued.

7.5. Voting Rights

On a vote on a resolution on a show of hands at a meeting, every holder of Ordinary Shares who (being an individual) is present in person or by one or more proxies or (being a corporation) is present by one or more duly authorised representatives or proxies shall have one vote, and on a poll every holder of Ordinary Shares shall have one vote for every Ordinary Share he holds.

Holders of Deferred Shares are not entitled to vote at any general meeting of the Company but no provision of the Articles shall exclude a holder from any meeting of the class of Deferred Shares pursuant to the Articles.

7.6. Variation of Rights

Subject to the Companies Acts, the rights attached to any class of shares may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or with the authority of a special resolution passed at a separate class meeting.

The quorum at such a class meeting shall not be less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued share of the class (excluding any shares of that class held as treasury shares).

7.7. Transfer of Shares

An Ordinary Share held in certificated form may be transferred by an instrument of transfer in writing in any usual form or in any form approved by the Board, which shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An Ordinary Share held in uncertificated form may be transferred by means of a relevant system in such manner provided for in the uncertificated securities rules. The transferor shall be deemed to remain the holder of the relevant share until the transferee is entered in the Register in respect of it.

The Board may also refuse to register a transfer of shares held in certificated form unless:

- (a) it is for a share which is fully paid up;
- (b) it is for a share on which the Company has no lien;
- (c) it is only one class of shares;
- (d) it is in favour of a single transferee or not more than four joint transferees;
- (e) it is duly stamped or is duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty (if so required); and
- (f) delivered for registration to the registered office of the Company, or such other place as the Board may determine, accompanied (except in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor (or person renouncing) and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so, provided that such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

Where a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice under section 793 of the Act ("**section 793 notice**") and has failed in relation to any shares ("**default shares**") to give the Company the information required by the section 793 notice within the prescribed period from the service of the notice, then no transfer, other than an excepted transfer, of any shares held by the member shall be registered unless the member himself is not in default of supplying the required information and the member proves to the satisfaction of the Board that no person in default of supplying such information is interested in any of the shares that are subject to the transfer.

The Deferred Shares are not transferable save for limited circumstances provided for in the Articles.

7.8. Dividends

Subject to the provisions of the Act and the Articles, the Company may by ordinary resolution declare dividends in accordance with the respective rights and interests of the members, but no dividend shall exceed the amount recommended by the Board. Subject to the provisions of the Act, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution.

The Board may, by ordinary resolution of the Company direct, or in the case of an interim dividend may without the authority of an ordinary resolution direct, that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.

Holders of Deferred Shares shall not be entitled to any dividend or distribution whether pursuant to the Articles or otherwise. Purchases and redemption

7.9. Winding Up

If the Company is wound up, the liquidator may, by the authority of special resolution of the Company and any other authority required by law, divide among the members in specie the whole or any part of the assets of the Company pursuant to the provisions of the Articles. This applies whether the assets shall consist of property of one kind or different kinds. For this purpose, the liquidator may set such value as the liquidator considers fair on any asset or assets and may determine how to divide it between the members or different classes of members. The Liquidator may, with the authority of a special resolution and any other authority required by the law, transfer all or any part of the assets to trustees on such trusts for the benefit of members as the liquidator decides. Where the liquidator divides or transfers any assets in pursuance of the powers in this article, no member shall be required to accept any asset in respect of which there is a liability.

On a return of assets on a liquidation or capital reduction or otherwise, the holders of Deferred Shares, if any, shall only be entitled to a total of £1.00 for the entire class of Deferred Shares in issue and after each holder of Ordinary Shares has received in aggregate, £1,000,000 per Ordinary Share held.
Directors

7.10. Untraced Shareholders

The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by virtue of transmission, and to give notice of the same if and provided that: (i) during the period of twelve years before the date of sending of the notice, no cheque, order or warrant in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share, at his address on the register of members or other last known address given by the member or the person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and no communication has been received by the Company in respect of such share from such member or person entitled, provided that during such period of twelve years the Company has paid at least three dividends (whether interim or final) and no such dividend has been claimed by the person entitled to it; (ii) on or after expiry of the 12 year period, the Company has given notice of its intention to sell such share by giving notice of its intention to sell the share by advertisement in a national newspaper and in a newspaper circulating in the area of the address of the member or person entitled by transmission to the share shown in the register of members; (iii) during the further period of three months following the date of such notice and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission; and (iv) the Company has given notice to the relevant stock exchange of its intention to make such sale, if shares of the class concerned are listed on a recognized stock exchange.

The Company shall account to the member or other person entitled to the share for the net proceeds of a sale by transferring the proceeds to a separate account. The Company shall be deemed to be a debtor, not a trustee, to such member or other person. Such monies may be employed in the business of the Company or invested in investments as the Board sees fit. Overseas members

7.11. Provisions relating to Directors

Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be less than 2.

Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional Director.

Subject to the Articles, the Board may appoint any person who is willing to act as a Director, either to fill a vacancy or as an additional Director. Any Director so appointed shall retire at the next annual general meeting of the Company following such appointment and shall be eligible for re-appointment thereat but is not taken into account when deciding the number of directors who are to retire by rotation.

Other than a retiring Director, no person may be appointed or re-appointed a Director at a general meeting unless (i) he is recommended by the Board; or (ii) the Company has received notice at least seven but no more than 42 clear days before the date of the general meeting from a member (other than the person proposed) of his intention to propose a resolution of such appointment or reappointment.

Each Director shall retire from office and shall be eligible for reappointment at each annual general meeting if: (i) he has been appointed by the board since the previous annual general meeting; or (ii) it is his third annual general meeting following the annual general meeting at which he was elected or last re-elected; or (iii) he has held office with the Company as a non-executive Director for a continuous period of nine years or more at the date of the meeting.

Each Director may be paid a fee at such rate as may be determined by the Board from time to time but must not exceed £400,000 per annum or such higher amount as may be decided from time to time by ordinary resolution of the Company. Such fees are distinct from any salary, remuneration or any other amounts payable to a Director. Each Director may be paid reasonable travelling, hotel and other expenses properly incurred in relation to his duties as a Director. A Director may be paid additional remuneration if such Director performs or renders any special duties or services outside his ordinary duties as a Director.

Subject to the provisions of the Companies Acts, the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company. The Board may delegate its powers to any committee consisting of one or more Directors and (if thought fit) one or more other persons provided: (i) a majority of the committee shall be Directors; and (ii) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors.

The Board or any committee so authorised may delegate or entrust to any Director or Directors its powers, authorities and discretions (with power to sub-delegate) for such time and on such terms as it thinks fit and revoke, withdraw or vary such powers. The Board may establish and local or divisional boards or agencies and delegate any of its powers to such boards or agencies for the purpose of managing the affairs of the Company.

The Board may, by power of attorney or otherwise, appoint and delegate any of its powers (with powers to sub-delegate) to a person or persons to be an agent or attorney of the Company.

A Director may, and the Secretary at the request of a Director shall, call a meeting of the Board. The quorum for the transaction of the business of the Board may be determined by the Board and unless otherwise determined at any other number shall be 2.

Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes the chairman shall have a second or casting vote.

The Directors may (in accordance with the Articles) authorise (in writing) any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an "Interested Director") breaching his duty under the Act to avoid conflicts of interest.

Authorisation of such a matter is effective only if:

- a) the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the Articles;
- b) any requirement as to quorum at the meeting of the Directors at which the matter is considered is met without counting the Interested Director in question and any other interested Director; and
- c) the matter has been agreed to without the Interested voting or would have been agreed to if the Interested Director's votes had not been counted.

7.12. Borrowing Powers

The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company, to issue debentures and other securities and to give security, either outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

7.13. Uncertificated Shares

The Company may issue shares and other securities which do not have certificates, permit existing shares and other securities to be held without certificates, and permit any shares or other securities held without certificate to be transferred by means of relevant system and may make arrangements for a class of shares to become a participating class. Title to shares of a particular class may only be evidenced otherwise than by a certificate where that class of shares is a participating class.

7.14. Calls

Subject to the Articles and the terms on which the shares are allotted, the Board may make calls on the members regarding any monies unpaid on their shares (whether in respect of nominal value or premium) and not payable on a date fixed by or in accordance with the terms of issue. Each member shall pay to the Company as required by the notice the amount called on for his shares. A call is made at the time of the passing of the Board resolution authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

7.15. General Meetings

All meetings other than annual general meetings shall be called general meetings. The Board may call general meetings and, on the requisition of members pursuant to the provisions of the Companies Acts, shall proceed to convene a general meeting.

An annual general meeting shall be held once a year at such time (consistent with the terms of the Companies Acts) and place as may be determined by the Board.

Every notice of meeting shall specify the place, the day and the time of the meeting and there shall appear with reasonable prominence in every notice a statement that member entitled to attend and vote is entitled to a proxy or (if he has more than one share) proxies to exercise all and any of his rights to attend, speak and vote and that a proxy need not be a member of the Company. In the case of an annual general meeting, the notice shall specify the meeting as such. Two members present in person or by proxy and entitled to vote upon the business to be transacted at the meeting shall be a quorum. A Director (and any other person invited by the chairman to do so) shall be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company, whether or not he is a member.

8. Directorships and Partnerships

In addition to the directorships of the Company, the Directors and Proposed Directors hold or have held the following directorships (including directorships of companies registered outside England and Wales) or have been partners in the following partnerships within the five years prior to the date of this Document:

Name	Current Directorships/Partnerships	Past Directorships/Partnerships
Andrew Anthony Monk	VSA Capital Limited VSA Capital Private Investments Limited Benjami Limited Shanghai Mining Club Limited VSA NEX Investments Limited	BBB (2015) Limited SSS (2015) Limited MMM Acquisitions Limited Mining, Minerals & Metals Plc Radicle Projects Plc Stockmarket Investments Limited

	Anglo African Agriculture Plc Pure Reports Limited	
Andrew Joseph Raca	VSA Capital Private Investments Limited VSA Capital Limited Shanghai Mining Club Limited VSA NEX Investments Limited	Spiritus Mundi Plc Mining, Minerals & Metals Plc Dynamic Intertrade (Pty) Limited (South Africa) BBB (2015) Limited SSS (2015) Limited Priory School Edgbaston Trustees Limited
Marcia Coelho Manarin	VSA Capital Limited VSA Capital Private Investments Limited Highclere Designs Ltd VSA NEX Investments Limited	Coffee Solutions Limited Tristone Capital Limited Tristone Capital Nominee Limited Vending Solutions Limited Scotia Waterous (UK) Limited Mining, Minerals & Metals Plc Firstenergy Capital (UK) Limited
Mark David Crawford Steeves	VSA Capital Limited Samphire & Associates Ltd Samphire Film Productions Ltd Moshe Capital Pty Ltd Friend of The Geological Society of London (Corporate Affiliates Committee and City of London Geoscience Forum)	LookAhead TV Phoenix Africa Development Co Ltd Leon Holdings Pvt Ltd Leon Business Solutions African Development Corporation Aprica Investments Ltd Resolution Insurance Cleave & Co The Company of African Guilds NXTV Ltd Business Council for Africa
Ruiwen (Andy) Chen	VSA Capital Limited VClub Ltd VFund Management Ltd HanTime Capital Ltd Silverspring Trading Ltd	

9. Directors' confirmations

- 9.1. As at the date of this Document, none of the Directors nor Proposed Directors has:
- 9.1.1. any convictions in relation to fraudulent offences;
 - 9.1.2. had any bankruptcy order made against him or entered into any voluntary arrangements;
 - 9.1.3. been a director of a company which has been placed in receivership, insolvent liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
 - 9.1.4. been a partner in any partnership which has been placed in insolvent liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 9.1.5. been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 9.1.6. been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

9.1.7. been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

9.2. Save as disclosed in this Document (in relation to the Directors' roles with other companies), the Directors and Proposed Directors do not currently have any potential conflicts of interest between their duties to the Company and their private interests or other duties that they may also have.

10. Directors' Interests

10.1. On Admission, the interests of the Directors and Proposed Directors and their immediate families and, so far as they are aware having made due and careful enquiries, of persons connected with them (all of which are beneficial, unless otherwise stated) (so far as is known to the Directors or Proposed Directors, or could with reasonable diligence be ascertained by them) (within the meaning of sections 252 to 254 of the Act) in the Ordinary Shares is and will be as follows:

Name	As at the date of this Document			On Admission				
	Number of Ordinary Shares held	Percentage of Issued Share Capital	Warrants and Options held	Number of Ordinary Shares held	Percentage of Issued Share Capital	Options and Warrants held	Fully diluted number of Ordinary Shares held	Percentage of fully diluted share capital
Andrew Anthony Monk	3,847,600	21.1	3,134,300	3,847,600	19.8	3,134,300	6,981,900	22.9
Andrew Joseph Raca	998,700	5.5	3,777,200	998,700	5.1	3,777,200	4,775,900	15.7
Marcia Manarin	Nil	Nil	628,600	Nil	Nil	628,600	628,600	2.1
Mark David Crawford Steeves	Nil	Nil	307,200	Nil	Nil	307,200	307,200	1.0
Ruiwen (Andy) Chen	87,500	0.5	264,300	87,500	0.5	264,300	351,800	1.2

10.2. Save as disclosed in this Document, the Directors and Proposed Directors and their respective Connected Persons do not hold any options or warrants or other rights over any unissued Ordinary Shares of the Company.

10.3. Save as disclosed in this Document, immediately following Admission, no Director nor Proposed Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

10.4. The Company, the Directors and Proposed Directors are not aware of any arrangements or operations which may, at a subsequent date, result in a change of control of the Company, or, that the Company is owned or controlled directly or indirectly by any entity.

10.5. There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors or Proposed Directors.

10.6. No Director nor Proposed Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a

whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

11. Significant Shareholders and Concert Party

11.1. As at 2 September 2021 (being the latest practicable date prior to the publication of this Document) the Company has been notified or is aware of the following holdings which will, following Admission, represent more than three (3) per cent. of the Issued Share Capital or voting rights of the Company:

Name	As at the date of this Document			On Admission				
	Number of Ordinary Shares held	Percentage of Issued Share Capital	Options and Warrants held	Number of Ordinary Shares held	Percentage of Issued Share Capital	Options and Warrants held	Fully diluted number of Ordinary Shares held	Percentage of fully diluted share capital
Wei Chen	4,433,400	24.3	Nil	4,433,400	22.8	Nil	4,433,400	14.6
Gavin Casey	3,048,600	16.7	Nil	3,048,600	15.7	Nil	3,048,600	10.0
Feizhou Zheng	1,083,700	5.9	Nil	1,083,700	5.6	Nil	1,083,700	3.6
Basil Shiblaq	550,900	3.0	Nil	550,900	2.8	Nil	550,900	1.8

The Company has 1,337,400 shares, representing 6.9 per cent. of the Company's share capital on Admission, held in treasury.

11.2. For the purposes of the Code, the following individuals form the Concert Party. The Concert Party is beneficially interested in 15,571,800 Ordinary Shares, representing approximately 80.1 per cent. of the Ordinary Share capital of the Company on Admission.

Concert Party member	Current interest in the Issued Ordinary Share Capital	Percentage of the Issued Ordinary Share Capital	Options and Warrants held*	Maximum interest in the Enlarged Issued Share Capital on exercise of the Concert Party Options and Warrants*	Percentage of Enlarged Issued Share Capital on exercise of the Concert Party Options and Warrants*
Andrew Monk	3,847,600	19.8%	3,134,300	6,981,900	26.2%
Andrew Raca	998,700	5.1 %	3,777,200	4,775,900	18.0%
Ruiwen Chen	87,500	0.5%	264,300	351,800	1.3%
Wei Chen	4,433,400	22.8%	Nil	4,433,400	16.7%
Gavin Casey	3,048,600	15.7%	Nil	3,048,600	11.5%
Lesley Casey	34,700	0.2%	Nil	34,700	0.1%
Feizhou Zheng	1,083,700	5.6%	Nil	1,083,700	4.1%
Basil Shiblaq	550,900	2.8%	Nil	550,900	2.1%
Lee Chong Liang	295,500	1.5%	Nil	295,500	1.1%
Teong Tiek Wah	295,500	1.5%	Nil	295,500	1.1%
Soon Beng Gee	295,500	1.5%	Nil	295,500	1.1%
Gordon Lawson	184,300	0.9%	Nil	184,300	0.7%
Louise Lawson	184,300	0.9%	Nil	184,300	0.7%
Philip Hardy	184,700	1.0%	Nil	184,700	0.7%
Jeremy Bridge	46,900	0.2%	Nil	46,900	0.2%

Total	15,571,800	80.1%	7,175,800	22,747,600	85.5%
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* The Concert Party's maximum interest set out in the above table is based on the following assumptions: conversion of 7,175,800 Concert Party Options and Warrants (which could be done at any time following Admission) would result in the issue to the Concert Party of 7,175,800 Ordinary Shares increasing the total holding of the Concert Party to 22,747,600 Ordinary Shares representing approximately 85.5 per cent. of the Company's Enlarged Issued Share Capital and there being no other changes to the Company's share capital prior to the exercise of the Concert Party Options and Warrants.

11.3. As at 2 September 2021 (being the latest practicable date prior to the publication of this Document) the Company, was not aware of any other persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company, nor are they aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

12. Directors' and Proposed Directors terms of appointment

12.1. The Company has entered into service agreements and letter(s) of appointment with the Directors and Proposed Directors as follows:

12.2. A letter of appointment with Mark Steeves was entered into on 3 September 2021, conditional upon Admission, which replaced all previous letters of appointment, under the terms of which Mr Steeves has agreed to act as Independent Non-Executive Chairman of the Company. The letter of appointment may be terminated by either party giving to the other not less than one (1) months' notice in writing at any time and subject to the terms of the Articles relating to re-election of directors. The fee payable to Mr Steeves is £12,000 per annum. Mr Steeves is required to devote one (1) day a month to perform his duties for the Company;

12.3. On 3 September 2021, a service agreement with Andrew Monk was entered into, conditional upon Admission, under the terms of which Mr Monk agreed to act as Executive Director and Chief Executive Officer of the Company. The agreement may be terminated by Mr Monk giving to the Company not less than three (3) months' notice in writing at any time and by the Company giving Mr Monk not less than twelve (12) months' notice in writing. The fee payable to Mr Monk is £160,000 per annum. In the event that the agreement is terminated following a change of control event, Mr Monk is entitled to compensation equivalent to twelve (12) months' salary;

12.4. On 3 September 2021, a service agreement with Andrew Raca was entered into, conditional upon Admission, under the terms of which Mr Raca has agreed to act as Executive Director of the Company. The agreement may be terminated by Mr Raca giving to the Company not less than three (3) months' notice in writing at any time and by the Company giving Mr Raca not less than twelve (12) months' notice in writing. The fee payable to Mr Raca is £150,000 per annum. In the event that the agreement is terminated following a change of control event, Mr Raca is entitled to compensation equivalent to twelve (12) months' salary;

12.5. A letter of appointment with Ruiwen (Andy) Chen was entered into on 3 September 2021, conditional on Admission, under the terms of which Mr Steeves has agreed to act as a Non-Executive Director of the Company. The letter of appointment may be terminated by either party giving to the other not less than one (1) months' notice in writing at any time and subject to the terms of the Articles relating to re-election of directors. The fee payable to Mr Chen is £24,000 per annum. Mr Chen is required to devote two (2) days a month to perform his duties for the Company;

12.6. On 3 September 2021, a service agreement with Marcia Manarin was entered into, conditional upon Admission, under the terms of which Mrs Manarin has agreed to act as Finance Director of the Company. The agreement may be terminated by Ms Manarin giving to the Company not less than three (3) months' notice in writing at any time and and by the Company giving Ms Manarin not less than twelve (12) months' notice in writing. The fee payable to Mrs Manarin is £120,000 per annum. In the

event that the agreement is terminated following a change of control event, Ms Manarin is entitled to compensation equivalent to twelve (12) months' salary;

Save as referred to above, there are no service agreements or letters of appointment in existence between any of the Directors nor Proposed Directors and the Company.

- 12.7. The aggregate remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to the Directors and Proposed Directors by the Company during the financial period ended 31 March 2021 was £687,770.

13. Working Capital

- 13.1. The Directors and Proposed Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company will be sufficient for the present requirements of the Company, that is, for the period of twelve (12) months following Admission.

14. Significant Change

- 14.1. Save for the transactions outlined in paragraph 16 (material contracts) and in this Document, there has been no significant change in the trading or financial position of the Group since 31 March 2021, being the date to which the Financial Information in Part III of this Document was prepared.

15. Litigation

- 15.1. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which any member of the Group is aware) since incorporation of each member of the Group which may have, or have had in the recent past, significant effects on the financial positions or profitability of the Group.

16. Material Contracts

- 16.1. Acquisition of VSA Capital Limited

On 31 March 2021, the Company entered into the Share Exchange Agreement with the shareholders of VSA Capital Limited pursuant to which the Company acquired the entire issued share capital of VSA Capital Limited. The consideration paid to the shareholders of VSA Capital Limited was £3,684,996 satisfied by the issue and allotment of 175,476 ordinary shares of £20 each in the capital of the Company at £21 per share.

- 16.2. Alfred Henry Engagement Letter

An engagement letter dated 26 May 2021 between the Company and Alfred Henry pursuant to which the Company has appointed Alfred Henry to act as the corporate adviser to the Company for the purpose of seeking admission of the Company's shares to trading on the AQSE Growth Market, for which, the Company has agreed to pay £20,000 plus VAT.

- 16.3. Alfred Henry Corporate Adviser Agreement

An AQSE Growth Market Corporate Adviser agreement dated 24 August 2021 between the Company and Alfred pursuant to which the Company has appointed Alfred Henry to act as corporate adviser to the Company on an on-going basis following Admission for which the Company has agreed to pay an annual fee. The agreement contains undertaking and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement continues for a fixed period of one (1) year from the date of Admission and thereafter is subject to termination by either party giving three (3) months' prior written notice.

- 16.4. An agreement dated 1 March 2018 between VSA Limited and Shanghai Feizhou Investment Co. Ltd (VSA Capital Shanghai – the client) pursuant to which VSA acts as the Financial and Corporate Advisor to the

client in connection with the engagement to jointly work together to develop the Chinese market using VSA's brand.

- 16.5. A Strategic Partnership Agreement dated 18 July 2018 between VSA Limited and Moshe Capital in South Africa pursuant to which both parties work collaboratively to promote and market each other's business. VSA and Moshe Capital also collaborate to explore opportunities which benefit both parties' businesses.
- 16.6. A Strategic Partnership Agreement dated 1 October 2020 between VSA Limited and Faida in Kenya pursuant to which both parties work collaboratively to promote and market each other's business. VSA and Faida also collaborate to explore opportunities which benefit both parties' businesses.
- 16.7. An agreement for the provision of Investment Advisory Services by VSA Capital (the "Advisor") to Umbono Commodities Fund Management LLC (the "Management Company") dated 20 June 2017 pursuant to which VSA provides investment advice to the management company in relation to potential investments.

17. Related Party Transactions

For several years, VSA Capital Limited has been appointed as Financial Adviser and broker to Anglo African Agriculture plc's. It is a related party transaction because Andrew Monk, VSA Capital Limited's Chief Executive Officer, was also a director of Anglo African Agriculture plc during the twelve months preceding this Document. VSA Capital Limited has provided these services at "normal rates" and at arm's length.

On 1 September 2018, VSA Capital Limited entered into an agreement with Mining, Minerals & Metals plc, pursuant to which VSA Capital Limited was appointed as Mining, Minerals & Metals plc's Financial Adviser and broker. It was a related party transaction because Andrew Monk, VSA Capital Limited's Chief Executive Officer, was also a director of Mining, Minerals & Metals plc during the twelve months preceding this Document, but retired from this directorship in February 2021. VSA Capital Limited has provided these services at "normal rates" and at arm's length. The agreement was terminated on 26 April 2021.

In the ordinary course of its business the Group may engage in transactions with other related parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions or if such parties are under common control.

The Group seeks to conduct all transactions with entities under common control or otherwise related to it on market terms and in accordance with relevant legislation. The terms and conditions of sales to related parties are determined based on arrangements specific to each contract or transaction. However, there can be no assurance that any or all of these transactions have been or will be conducted on market terms.

Save for the related party transactions referred to above, referred to in paragraph 17 of this Part IV or set out in the audited consolidated financial statements of the Group, there are no related party transactions that were entered into by the Group up to and including the date of this Document.

18. United Kingdom Taxation

The following information is based on UK tax law and HM Revenue and Customs (HMRC) practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional adviser immediately.

- 18.1. Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- (1) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent. of any of the classes of shares in the Company; or
- (2) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- (3) who are in any doubt as to their taxation positions.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

18.2. Dividends

Where the Company pays dividends, no UK withholding taxes are deducted at source and Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £2,000/annum dividend tax allowance. Dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

Dividends received by the trustees of discretionary or accumulation trusts and not exceeding the first band will be taxed at 7.5%. The first band is established by taking £1,000 and dividing this amount by the number of settlements formed by the settlor up to a maximum of five. The minimum first band is £200. Any dividends received by such trusts in excess of the first band will be taxed at 38.1%. If the shareholder is in doubt as to the amount of the first band, then independent professional advice should be sought.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

18.3. Taxation of chargeable gains

18.3.1. United Kingdom resident shareholders

A disposal of Ordinary Shares by a Shareholder, who is resident for tax purposes in the UK, will in general be subject to UK taxation on the chargeable gain arising on a disposal of Ordinary Shares.

UK resident individuals are entitled to an annual allowance to be deducted from any chargeable gain that would otherwise be taxable in the relevant tax year. The annual allowance for the tax year to 5 April 2022 is £12,300. Generally speaking, where the individual's taxable chargeable gains exceed the

allowance, then these gains will be taxed at 10%, but only to the extent that the individual's taxable income and chargeable gains do not exceed the basic rate income tax band. Where the individual's taxable income and chargeable gains exceeds the basic rate income tax band and then the remaining chargeable gain will be taxed at 20%.

The trustees of discretionary or accumulation trusts may be able to claim an annual allowance being one-half of the allowance available to individuals. For the tax year ended 5 April 2022 the allowance is £6,150. Independent professional advice should be sought before claiming this allowance. Where the allowance is claimed then chargeable gains in excess of this amount will be liable to tax at 20%. Where the allowance is not claimed then the whole chargeable gain will be liable to tax at 20%.

18.3.2. Non-residents

A Shareholder who is not resident in the UK for tax purposes, but who carries on a trade, profession or vocation in the UK through a permanent establishment (where the Shareholder is a company) or through a branch or agency (where the Shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation through such permanent establishment, branch or agency (as appropriate) will be subject to UK tax on capital gains on the disposal of Ordinary Shares.

In addition, any holders of Ordinary Shares who are individuals and who dispose of shares while they are temporarily non-resident may be treated as disposing of them in the tax year in which they again become resident in the UK. All non-resident or non-domiciled shareholders should seek professional advice before considering a transaction which will be considered a chargeable gain.

18.3.3. Companies

For UK corporates, chargeable gains are currently chargeable at the rate of nineteen (19) per cent. subject to indexation which may apply to reduce any such gain, although indexation cannot create or increase a capital loss. Other reliefs may be relevant.

18.4. Stamp Duty and Stamp Duty Reserve Tax (SDRT)

The statements below (which apply whether or not a Shareholder is resident or domiciled in the UK) summarise the current position and are intended as a general guide only to stamp duty and SDRT. Certain categories of person are not liable to stamp duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositaries and clearance services) who may be liable to stamp duty or SDRT at a higher rate or who may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

The AQSE Growth Market is a designated a Recognised Growth Market by HMRC which means that trades executed in UK companies on this market are exempt from UK Stamp Duty and Stamp Duty Reserve Tax.

18.5. Inheritance tax

Shareholders regardless of their tax status should seek independent professional advice when considering any event which may give rise to an inheritance tax charge.

Ordinary Shares beneficially owned by an individual Shareholder will be subject to UK inheritance tax on the death of the Shareholder (even if the Shareholder is not domiciled or deemed domiciled in the UK); although the availability of exemptions and reliefs may mean that in some circumstances there is no actual tax liability. A lifetime transfer of assets to another individual or trust may also be subject to UK inheritance tax based on the loss of value to the donor, although again exemptions and reliefs may be relevant. Particular rules apply to gifts where the donor reserves or retains some benefit.

The above summary of certain aspects of current law and practice in the UK, which does not constitute legal advice. Therefore, a Shareholder who is in any doubt as to their tax position, or who is subject to tax in a jurisdiction other than the UK, should consult their professional adviser immediately.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS OR HER TAX POSITION OR WHERE HE OR SHE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS OR HER PROFESSIONAL ADVISER.

19. Compulsory acquisition rules relating to Ordinary Shares

Squeeze out under the Companies Act

Sections 974 to 991 of the Companies Act provide that, if following a takeover offer (as defined in section 974 of the Companies Act) an offeror acquires or contracts to acquire not less than 90 per cent. of the shares (both by value and by voting rights) to which such offer relates, it may then compulsorily acquire the outstanding shares which the offeror has not acquired or contracted to acquire.

To do so, the offeror sends a notice to the holders of shares who had not accepted the offer informing them that it will compulsorily acquire their shares and six weeks from the date of the notice, it would execute a transfer of the outstanding shares in its favour and pay the consideration for the shares to the Company, which holds the consideration on trust for the relevant holders of shares. The consideration in respect of shares that are compulsorily acquired must, in general, be the same as the consideration that was available under the takeover offer.

Sell Out under the Companies Act

Pursuant to sections 983 to 985 of the Companies Act, if an offeror acquires or contracts to acquire not less than 90 per cent. of the shares (both by value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer subject to certain time limits. The offeror is required to give any such holder of shares notice of his right to be bought out within one month of that right arising.

20. Sell-out rights cannot be exercised by a shareholder after the end of the period of three months from the end of the period within which the offer can be accepted or, if later, three months from the date of the notice which is served on the holder of shares notifying the holder of the holder's sell-out rights. If a holder of shares exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed. General

- 20.1. The total costs and expenses in relation to Admission payable by the Company are estimated to amount to approximately £80,000 (excluding VAT).
- 20.2. Except as disclosed in this Document, there has been no significant change in the financial or trading position of the Company since 31 March 2021, the date to which the Financial Information in Part III of this Document was prepared.
- 20.3. Hilden Park Accountants Limited have been appointed as the auditors of the Company for the financial year ending 31 March 2021. Hilden Park Accountants Limited are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. Hilden Park Accountants Limited business address is at Hilden Park House, 79 Tonbridge Road, Hildenborough, Kent, TN11 9BH.

- 20.4. Hilden Park Accountants Limited has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of their report as set out in Part III of this Document and references thereto. Hilden Park Accountants Limited also accepts responsibility for its report.
- 20.5. Alfred Henry Corporate Finance Limited, which is authorised and regulated by the FCA, has given, and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears. Alfred Henry Corporate Finance Limited is acting exclusively for the Company in connection with Admission and not for any other persons. Alfred Henry Corporate Finance Limited will not be responsible to any other persons other than the Company for providing the protections afforded to customers of Alfred Henry Corporate Finance Limited or for advising any such person in connection with Admission. Alfred Henry Corporate Finance Limited is registered in England and Wales under company number 03214944 and with registered address at Finsgate, 5-7 Cranwood Street, London EC1V 9EE.
- 20.6. There are no investments in progress and there are no future investments in respect of which the Directors and Proposed Directors have already made firm commitments which are significant to the Company.
- 20.7. No financial information contained in this Document is intended by the Company to represent nor constitute a forecast of profits by the Company nor constitute publication of accounts by it.
- 20.8. The Directors and Proposed Directors accept responsibility for the financial information contained in Part III of this Document which has been prepared in accordance with the law applicable to the Company.
- 20.9. Save for the Company's website at www.vsacapital.com and as set out in this Document, there are no patents or intellectual property rights, licenses or particular contracts, which are of material importance to the Company's business or profitability.
- 20.10. Save as disclosed in this Document, as far as the Directors and Proposed Directors are aware there are no environmental issues that may affect the Company's utilisation of any tangible fixed assets.
- 20.11. The Ordinary Shares have not been sold, nor are they available, in whole or in part, to the public in connection with the application for Admission.

21. Availability of this Document

Copies of this Document will be available free of charge to the public during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Company and from the offices of Alfred Henry Corporate Finance Limited and will remain available for at least one (1) month after the date of Admission. The Document is also available on the Company's website (www.vsacapital.com).

Dated 3 September 2021