

# VSA CAPITAL PRIVATE INVESTMENTS PLC

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 March 2021



Company Registration No. 04918684

# VSA CAPITAL PRIVATE INVESTMENTS PLC

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## VSA CAPITAL PRIVATE INVESTMENTS PLC

### COMPANY INFORMATION

Directors	Andrew Monk Andrew Raca
Company secretary	Marcia Manarin
Company Number	04918684
Registered Office	New Liverpool House, 15 -17 Eldon Street London, EC2M7LD
Auditors	Hilden Park Accountants Limited Chartered Accountants and Statutory Auditors Hilden Park House 79 Tonbridge Road Hildenborough Kent TN11 9BH
Registrar	Neville Registrars Ltd Neville House 18 Laurel Lane Halesowen B63 3DA
Legal Advisers	Thomson Webb & Corfield 16 Union Road Cambridge, CB2 1HE
Bankers	NatWest Bank Plc PO Box 2354 65 Piccadilly London, W1A 2PP
Head Office	New Liverpool House 15-17 Eldon Street London EC2M 7LD

## VSA CAPITAL PRIVATE INVESTMENTS PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their report and the audited financial statements of the Group for the year ended 31 March 2021.

#### Directors

The following Directors have held office during the year. Their beneficial interests in the issued share capital of the Company at that date were as follows:

	31 March 2021	31 March 2020
A A Monk	38,476	1,191
A J Raca	9,987	130

In addition, AA Monk has warrants over 38,476 (2020: 200) of the Company's ordinary shares.

#### Directors' Responsibilities for the Financial Statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

#### Strategic Report

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

## VSA CAPITAL PRIVATE INVESTMENTS PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

#### Financial Risk management and objectives

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

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

#### Statement of Disclosure to Auditors

The directors, who were members of the Board at the time of approving the Directors' Report, are listed on page 2 and confirm that:

- to the best of each director's knowledge and belief, there is no relevant audit information (information needed by the Group's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditors are aware of that information.

#### Auditors

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

By Order of the Board



Andrew Monk  
Director

Date: 27 May 2021

## VSA CAPITAL PRIVATE INVESTMENTS PLC

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

#### Principal activity

The principal activities of the Group are corporate finance advisors, research providers and brokers.

#### Review of the Business

The company generates revenue from the provision of short-term funding to growing businesses in the form of convertible debt, vanilla loans or equity investments. On 31 March 2021 the company acquired VSA Capital Limited in a reverse takeover.

#### Review of the Year

2020 was a quiet year for the business with no major transactions occurring. The acquisition of VSA on the last day of the financial year, together with the performance of other investments generated a substantial increase in the Balance Sheet position.

#### Key performance indicators

The group returned a profit before tax of £194,097 (2020: £1,038) and had total net assets of £3,975,772 at the year-end date (2020: £96,679).

#### Principal risks and uncertainties

The main risk is the speed with which the new business can be developed and that limited capital resources available could be eliminated with a single material loss. New business risk is managed by market research into new client base opportunities and building relationships alongside existing contacts to spread the capacity of the company to provide its services. The limited capital resources are carefully monitored, with minimal overheads meaning a small balance sheet does not present a material risk.

When the Coronavirus pandemic hit the perception was that the markets would collapse. However, what we have seen in our case was a very positive impact in our business operations and we had a record year in profits. Whilst we cannot predict the future the directors do not believe that the pandemic will adversely affect the group.

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

The board of directors of VSA Capital Private Investments PLC consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and members set out in s172(1)(a-f) of the act) in the decisions taken during the year ended 31 March 2021.

#### Dividends

No dividends were declared during the period under review.

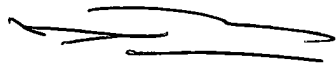
**VSA CAPITAL PRIVATE INVESTMENTS PLC**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

**Going Concern**

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

On behalf of the Board



Andrew Monk  
CEO

Date: 27 May 2021

## VSA CAPITAL PRIVATE INVESTMENTS PLC

### REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF VSA CAPITAL PRIVATE INVESTMENTS PLC FOR THE YEAR ENDED 31 MARCH 2021

#### **Opinion**

We have audited the financial statements of VSA Capital Private Investments Plc (the group and the company) for the year ended 31st March 2021 which comprise the group statement of comprehensive income, the group balance sheet, the group statement of changes in equity, the group cash flow statement, the notes to the cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the group and the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

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



## VSA CAPITAL PRIVATE INVESTMENTS PLC

### REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF VSA CAPITAL PRIVATE INVESTMENTS PLC FOR THE YEAR ENDED 31 MARCH 2021

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of directors**

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

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

#### **Our responsibilities for the audit of the financial statements**

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

All material movements have been looked at individually in order that any material instances of fraud be easily identified.

- Due to the simple nature of the operations, the risks of irregularities (and the risk of not identifying any irregularities) is low.
- The laws and regulations applicable for this entity have been identified and considered when carrying out the audit.
- The competency and capabilities of the audit team identifying or recognising non-compliance with laws and regulations have been considered.
- Consideration was given as to whether there were areas of the financial statements particularly susceptible to fraud.
- Minutes of meetings of those charged with governance have been reviewed and no issues to note.
- The risk of management override of controls has been reviewed and audited, including through testing journal entries and other adjustments for appropriateness.

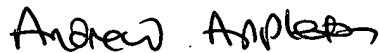
**VSA CAPITAL PRIVATE INVESTMENTS PLC**

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE SHAREHOLDERS OF VSA CAPITAL PRIVATE INVESTMENTS PLC  
FOR THE YEAR ENDED 31 MARCH 2021**

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

**Use of our Report**

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



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

Date: 27 May 2021

VSA CAPITAL PRIVATE INVESTMENTS PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021

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

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.

VSA CAPITAL PRIVATE INVESTMENTS PLC

GROUP AND COMPANY BALANCE SHEET  
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 Group £	2020 Group £	2021 Company £	2020 Company £
<b>ASSETS</b>					
<b>Non-current assets</b>					
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	-	258,807	3,873,996	258,807
Total non-current assets		1,963,202	258,807	3,873,996	258,807
<b>Current assets</b>					
Investments	11	1,163,492	60,849	75,757	60,849
Trade and other receivables	12	235,367	8,562	1,644	8,562
Cash and cash equivalents	13	1,863,785	28,109	24,813	28,109
Total current assets		3,262,644	97,520	102,214	97,520
<b>TOTAL ASSETS</b>		<b>5,225,846</b>	<b>97,520</b>	<b>3,976,210</b>	<b>97,520</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	16	3,645,260	135,740	3,645,260	135,740
Share premium	16	177,524	2,048	177,524	2,048
Share-based payments reserve	17	25,786	25,786	25,786	25,786
Accumulated profits/(losses)		127,202	(66,895)	127,202	(66,895)
Total equity		3,975,772	96,679	3,975,772	96,679
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	14	1,055,436	841	438	841
Finance liabilities - borrowings	15	136,066	-	-	-
Total current liabilities		1,191,502	841	438	841
<b>Non-current liabilities</b>					
Finance liabilities - borrowings	15	58,572	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,225,846</b>	<b>97,520</b>	<b>3,976,210</b>	<b>97,520</b>

The financial statements were approved by the Board of Directors on 27 May 2021 and were signed on its behalf by:



Andrew Monk  
Director



Andrew Raca  
Director

**VSA CAPITAL PRIVATE INVESTMENTS PLC**

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

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

VSA CAPITAL PRIVATE INVESTMENTS PLC

CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 Group £	2020 Group £	2021 Company £	2020 Company £
<b>Cash flows from operating activities</b>					
Profit before income tax		194,097	1,046	194,097	1,002
Tax paid		-	(8)	-	(8)
Depreciation and amortisation		-	-	-	-
Gains on current asset investments		(213,900)	(12,887)	(213,900)	(18,887)
(Increase)/decrease in trade / other receivables		6,918	9,802	6,918	9,802
Increase / (decrease) in trade / other payables		(403)	446	(403)	446
Change in share based payments reserve		-	(2,112)	-	(2,112)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(13,288)</b>	<b>(3,713)</b>	<b>(13,288)</b>	<b>(3,713)</b>
<b>Cash flows from investing activities</b>					
Purchase of subsidiary undertaking		(3,873,996)	-	(3,873,996)	-
Proceeds from other investing activities		198,992	44	198,992	44
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>		<b>(3,873,996)</b>	<b>44</b>	<b>(3,873,996)</b>	<b>44</b>
<b>Cash flows from financing activities</b>					
Share capital issue		3,684,996	-	3,684,996	-
Loan repayments		-	-	-	-
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>		<b>3,684,996</b>	<b>-</b>	<b>3,684,996</b>	<b>-</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(3,296)</b>	<b>(3,699)</b>	<b>(3,296)</b>	<b>(3,669)</b>
Cash and cash equivalents at beginning of period		28,109	31,778	28,109	31,778
Cash acquired with subsidiary undertaking		1,838,972	-	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	13	<b>1,863,785</b>	<b>28,109</b>	<b>24,813</b>	<b>28,109</b>

# VSA CAPITAL PRIVATE INVESTMENTS PLC

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 1 Statutory Information

VSA Capital Private Investments Plc is an unlisted public limited company, limited by shares registered in England and Wales. The Company's registered office is at 4<sup>th</sup> 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 Private Investments 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 to listed investments and total £1,163,492. Note 11 to the financial statements shows that these investments are primarily listed investments. These investments have a share price but those listed on Aquis often have very little liquid market. In addition, where VSA Capital Limited are advisors, they are restricted from buying or selling shares for a period of time. The directors therefore believe that the listed share price is often not a realistic basis for valuing shares. The directors have therefore used their best judgement based on their knowledge of the market and past performance in what is often a complex situation to estimate the value of the investments at the year-end date. If share prices had been used a value of £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

## VSA CAPITAL PRIVATE INVESTMENTS PLC

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 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



## VSA CAPITAL PRIVATE INVESTMENTS PLC

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

## VSA CAPITAL PRIVATE INVESTMENTS PLC

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### *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. 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

## VSA CAPITAL PRIVATE INVESTMENTS PLC

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 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 (Group)

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

VSA CAPITAL PRIVATE INVESTMENTS PLC

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

9 Intangible assets - group

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

	£
<b>COST</b>	
At 1 April 2020	1,011,096
Acquired in the year	3,873,996
<b>At 31 March 2021</b>	<b>4,885,092</b>
<b>IMPAIRMENT</b>	
At 1 April 2020 and 31 March 2021	1,011,096
<b>NET BOOK VALUE</b>	
<b>At 31 March 2021</b>	<b>3,873,996</b>
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 Group £	2020 Group £	2021 Company £	2020 Company £
Securities and warrants	1,163,492	60,849	75,757	60,849

All investments are classified at fair value through profit and loss. The quoted securities comprise equities quoted on the London Stock Exchange (2021 Group: £730,676, 2020: £54, 2021 company: £75,757, 2020: £60,849), listed on Aquis (2021: £349,745, 2020: £186,040, 2021 company: £nil, 2020: £nil), listed on AIM (2021 Group: £4,350, 2020: £nil, 2021 company: £nil, 2020: £nil), unlisted private companies (2021 Group: £20,000, 2020: £nil, 2021 company: £nil, 2020: £nil) and on the Canadian Stock Exchange (2021 Group: £58,721, 2020: £nil, 2021 company: £58,721, 2020: £11,352).

VSA CAPITAL PRIVATE INVESTMENTS PLC

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

12 Trade and other receivables

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade receivables	173,153	-	-	-
Other receivables	62,214	8,562	1,644	8,562
	<u>235,367</u>	<u>8,562</u>	<u>1,644</u>	<u>8,562</u>

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 Group £	2020 Group £	2021 Company £	2020 Company £
Cash at bank	<u>1,863,785</u>	<u>28,109</u>	<u>24,813</u>	<u>28,109</u>

14 Trade and other payables

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade payables	349,527	428	218	428
Taxation and social security	111,128	186	-	186
Other payables	2,470	227	220	227
Accruals and deferred income	592,311	-	-	-
	<u>1,055,436</u>	<u>841</u>	<u>438</u>	<u>841</u>

15 Financial liabilities - borrowings

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Leases - current	<u>136,066</u>	<u>-</u>	<u>-</u>	<u>-</u>
Leases - non-current (one to two years)	<u>58,572</u>	<u>-</u>	<u>-</u>	<u>-</u>

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.

## VSA CAPITAL PRIVATE INVESTMENTS PLC

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 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
<b>At 31 March 2021 (nominal value £20 per Ordinary share)</b>	<b>182,263</b>	<b>3,645,260</b>	<b>177,524</b>

#### 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)
<b>Total - company, and group</b>	<b>25,786</b>	<b>25,786</b>

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 Private Investments 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.

## VSA CAPITAL PRIVATE INVESTMENTS PLC

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 19 Acquisition of VSA Capital Limited

On 31 March 2021 VSA Private Investments 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.

	£
<b>Consideration:</b>	
Equity instruments (175,476 ordinary shares of VPI)	3,684,996
<b>Fair value of total consideration transferred</b>	<b>3,684,996</b>
Fair value of VPI's equity interest in VSA before the business combination	189,000
<b>Total consideration</b>	<b>3,873,996</b>
<b>Fair value of recognisable amounts of identifiable assets acquired and liabilities assumed:</b>	
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)
<b>Total identifiable net assets</b>	<b>3,873,996</b>

#### Goodwill

#### 20 Financial Instruments

The groups 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: Group: £235,367 (2020: £8,562), Company £1,644 (2020: £8,562)

Cash and bank balances: Group: £1,863,785 (2020: £28,109), Company £24,813 (2020: £28,109)

Financial assets at fair value through profit and loss: Group £1,163,492 (2020: £60,849), Company £75,757 (2020: £60,849)

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

##### Financial liabilities

Financial liabilities at amortised cost:

Trade and other payables: Group: £1,055,436 (2020: £841), Company £438 (2020: £841)

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

**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

## VSA CAPITAL PRIVATE INVESTMENTS PLC

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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



## VSA CAPITAL PRIVATE INVESTMENTS PLC

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

## 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 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.