

VITESSE PSP LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



VITESSE PSP LIMITED

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VITESSE PSP LIMITED

COMPANY INFORMATION

Directors D Christie
P McGriskin
P Townsend
M Ferguson

Company secretary OHS Secretaries Limited

Registered office 9th Floor 107 Cheapside
London
EC2V 6DN

Auditors Hazlewoods LLP
Staverton Court
Staverton
Cheltenham
GL51 0UX

VITESSE PSP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their strategic report for the year ended 31 March 2020.

Principal activity

The principal activity of the company and group is the provision of a service and technology platform that enables businesses to make cross border payments by utilising a global domestic banking network. The Vitesse platform enables a single connection to a network of domestic clearing systems to land full value payments as quickly as possible and provides a simple, real time view of global liquidity which enables customers to gain a real competitive advantage over their peers.

Fair review of the business

2019/20 has been a year of positive growth for Vitesse. Our global network of domestic banks has grown at pace, with an increasing number of routes enabling real-time settlement. The platform has been further tailored to meet the needs of our customers in the insurance vertical which remains the core focus. We have expanded the team and continue to strengthen all our policies and procedures.

The group's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019
Revenue	£	3,136,345	2,097,203
Gross profit	£	2,070,511	1,304,359

Principal risks and uncertainties

Risk management is an integral part of managing the business and the group formally maintains and reviews its risk register on a regular basis. The company has a Risk Committee that meets every two months and which evaluates the group's risk appetite.

The uncertain Brexit landscape has been mitigated to the greatest extent possible by the creation of a separately licensed entity in the Netherlands which will become operational prior to 1 January 2021.

COVID-19 has impacted the group, although transaction volumes have proven robust and the move to largely home-based working has proven effective. Unfortunately, no one knows how long COVID-19 will cause disruption for, but the group is working to maintain "business as usual" while being flexible and responsive to changing circumstances during this demanding period.

The closure of our £6.6m Series A investment round in June 2020, led by the well-respected venture capital firm, Octopus Ventures, has strengthened our capital and liquidity position and ensures that we have the necessary liquidity to meet our strategic ambitions and fund the continued growth of the business.

Approved by the Board on 16/12/20 and signed on its behalf by:



.....
P Townsend
Director

VITESSE PSP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the for the year ended 31 March 2020.

Directors of the company

The directors who held office during the year were as follows:

S Burkwood (resigned 26 June 2020)

D Christie

P McGriskin

M O'Brien (appointed 3 September 2019 and resigned 20 June 2020)

C Palmer (resigned 26 June 2020)

P Townsend

The following director was appointed after the year end:

M Ferguson (appointed 26 June 2020)

Financial instruments

Objectives and policies

The objectives of financial risk management are to ensure that the group has sufficient working capital and resources to be able to continue the growth strategy. The directors have put in place systems and controls which monitor financial risk and highlight when potential issues may occur. Management have a good attitude towards financial risk and a detailed knowledge of the business and industry.

Price risk, credit risk, liquidity risk and cash flow risk

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses by adopting strict credit worthiness procedures and monitoring customer payment histories.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group aims to minimise liquidity risk by managing cash generation by its operations.

Cash flow risk

Cash flow risk is the risk that inflows and outflows of cash and cash equivalents will not be sufficient to finance day-to-day operations of the group. The group manages cash flow by careful negotiation of terms with customers and suppliers to maintain available funds to meet its liabilities as they fall due.

Future developments

Vitesse continues to develop our global settlements network and one of the businesses key objectives is to deliver a market leading local settlements network. As part of this expansion, Vitesse will continue to increase its in country footprint with regional offices as required - this specifically but not exhaustively includes our Netherlands regulated company as part of our Brexit preparations.

Alongside this, the business continues to grow across all facets in line with our expanding customer and revenue base.

Research and development

R&D forms a critical and integral part of the Vitesse business plan. As Vitesse enters a new region to expand its globally domestic settlements network, the nature of the compliance, regulatory and risk frameworks, plus the operational team processes. Each footprint then requires a new development across the broader business, not just technology to successfully implement.

VITESSE PSP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

Going concern

The directors have prepared cash flow forecasts for the group for 12 months from the approval of these financial statements, which considers the current COVID-19 outbreak and its potential impact on the business. After reviewing these forecasts and subject to a second tranche of the fundraise of £2.3m, expected to be received in January 2021 once regulatory approval has been received, the directors are confident that the group has adequate resources to continue in operational existence for at least the next 12 months. On the basis of this information, the directors consider it appropriate to prepare the financial statements on a going concern basis. As with a number of such businesses, however, it is difficult to accurately forecast the effect that COVID-19 will have on the group in the next 12 months.

Important non adjusting events after the financial period

On 26 June 2020, 6,442 Ordinary £1 shares were sub-divided into 6,442,000 £0.001 shares.

On 26 June 2020, an investment agreement was signed for £6,586,815 receivable in two tranches. On 29 June 2020, 249,660 Series A1 £0.001 shares and 969,017 Series A2 £0.001 shares were issued for consideration of £3.50 per share comprising the first tranche of the fundraise. The number in shares in issue after this transaction was 7,660,677.

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 16/12/20 and signed on its behalf by:



.....
P Townsend
Director

VITESSE PSP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VITESSE PSP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITESSE PSP LIMITED

Opinion

We have audited the financial statements of Vitesse PSP Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Other matter

The financial statements of Vitesse PSP Limited for the year ended 31 March 2019 were audited by another auditor.

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's or the parent 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern. For example, it is difficult to evaluate all of the potential implications of the current COVID-19 outbreak on the group's trade, employees, customers, suppliers and the wider economy.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

VITESSE PSP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITESSE PSP LIMITED

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

.....
Paul Fussell (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court
Staverton
Cheltenham
GL51 0UX

Date: 17 December 2020

VITESSE PSP LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020**

		2020	(As restated)
	Note	£	2019
			£
Turnover	3	3,136,345	2,097,203
Cost of sales		<u>(1,065,834)</u>	<u>(792,844)</u>
Gross profit		2,070,511	1,304,359
Administrative expenses		<u>(4,585,188)</u>	<u>(3,594,399)</u>
Operating loss	4	(2,514,677)	(2,290,040)
Interest payable and similar charges	5	<u>(1,171)</u>	<u>(1,114)</u>
Loss before tax		(2,515,848)	(2,291,154)
Taxation	9	<u>3,629</u>	<u>168,126</u>
Loss for the financial year		<u><u>(2,512,219)</u></u>	<u><u>(2,123,028)</u></u>
Loss attributable to:			
Owners of the company		<u><u>(2,512,219)</u></u>	<u><u>(2,123,028)</u></u>

The above results were derived from continuing operations.

VITESSE PSP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31
MARCH 2020**

	(As restated)	
	2020 £	2019 £
Loss for the year	(2,512,219)	(2,123,028)
Foreign currency translation gains	1,394	-
Total comprehensive income for the year	<u>(2,510,825)</u>	<u>(2,123,028)</u>
Total comprehensive income attributable to:		
Owners of the company	<u>(2,510,825)</u>	<u>(2,123,028)</u>

The notes on pages 15 to 29 form an integral part of these financial statements.

VITESSE PSP LIMITED

**(REGISTRATION NUMBER: 08461258)
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020**

	Note	2020 £	(As restated) 2019 £
Fixed assets			
Intangible assets	10	-	7,020
Tangible assets	11	<u>27,328</u>	<u>32,731</u>
		<u>27,328</u>	<u>39,751</u>
Current assets			
Debtors	13	410,233	674,650
Debtors: Amounts falling due after more than one year	13	167,103	117,048
Cash at bank and in hand		<u>773,906</u>	<u>1,253,422</u>
		1,351,242	2,045,120
Creditors: Amounts falling due within one year	15	<u>(543,097)</u>	<u>(351,944)</u>
Net current assets		<u>808,145</u>	<u>1,693,176</u>
Total assets less current liabilities		835,473	1,732,927
Creditors: Amounts falling due after more than one year	15	-	(374,632)
Provisions for liabilities	9	<u>(2,501)</u>	<u>(6,130)</u>
Net assets		<u>832,972</u>	<u>1,352,165</u>
Capital and reserves			
Called up share capital	17	6,442	5,862
Share premium reserve	18	10,788,546	8,762,126
Equity reserve	18	-	35,368
Profit and loss account	18	<u>(9,962,016)</u>	<u>(7,451,191)</u>
Equity attributable to owners of the company		<u>832,972</u>	<u>1,352,165</u>
Total equity		<u>832,972</u>	<u>1,352,165</u>

Approved and authorised by the Board on 16/12/20.. and signed on its behalf by:



.....
P Townsend
Director

The notes on pages 15 to 29 form an integral part of these financial statements.

VITESSE PSP LIMITED

**(REGISTRATION NUMBER: 08461258)
BALANCE SHEET AS AT 31 MARCH 2020**

	Note	2020 £	(As restated) 2019 £
Fixed assets			
Intangible assets	10	-	7,020
Tangible assets	11	26,980	32,265
Investments	12	132,228	52,959
		<u>159,208</u>	<u>92,244</u>
Current assets			
Debtors	13	405,416	672,381
Debtors: Amounts falling due after more than one year	13	164,980	114,980
Cash at bank and in hand		749,295	1,245,316
		1,319,691	2,032,677
Creditors: Amounts falling due within one year	15	<u>(521,816)</u>	<u>(391,918)</u>
Net current assets		<u>797,875</u>	<u>1,640,759</u>
Total assets less current liabilities		957,083	1,733,003
Creditors: Amounts falling due after more than one year	15	(121,964)	(390,035)
Provisions for liabilities	9	<u>(2,501)</u>	<u>(6,130)</u>
Net assets		<u>832,618</u>	<u>1,336,838</u>
Capital and reserves			
Called up share capital	17	6,442	5,862
Share premium reserve		10,788,546	8,762,126
Equity reserve		-	35,368
Profit and loss account		<u>(9,962,370)</u>	<u>(7,466,518)</u>
Total equity		<u>832,618</u>	<u>1,336,838</u>

The company made a loss after tax for the financial year of £2,495,852 (2019 - loss of £2,190,139).

Approved and authorised by the Board on 16/12/20 and signed on its behalf by:



.....
P Townsend
Director

The notes on pages 15 to 29 form an integral part of these financial statements.

VITESSE PSP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

	Share capital £	Share premium £	Equity reserve £	Profit and loss account £	Total £
At 1 April 2019	5,862	8,762,126	35,368	(7,451,191)	1,352,165
Loss for the year	-	-	-	(2,512,219)	(2,512,219)
Other comprehensive income	-	-	-	1,394	1,394
Total comprehensive income	-	-	-	(2,510,825)	(2,510,825)
New share capital subscribed	466	1,627,534	-	-	1,628,000
Conversion of loan to shares	114	398,886	(35,368)	-	363,632
At 31 March 2020	6,442	10,788,546	-	(9,962,016)	832,972
	Share capital £	Share premium £	Equity reserve £	Profit and loss account £	Total £
At 1 April 2018 (as restated)	5,160	6,290,828	51,758	(5,328,163)	1,019,583
Loss for the year (as restated)	-	-	-	(2,123,028)	(2,123,028)
New share capital subscribed	652	2,281,348	-	-	2,282,000
Conversion of loan to shares	50	189,950	(16,390)	-	173,610
At 31 March 2019	5,862	8,762,126	35,368	(7,451,191)	1,352,165

The notes on pages 15 to 29 form an integral part of these financial statements.

VITESSE PSP LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital £	Share premium £	Equity reserve £	Profit and loss account £	Total £
At 1 April 2019	5,862	8,762,126	35,368	(7,466,518)	1,336,838
Loss for the year	-	-	-	(2,495,852)	(2,495,852)
New share capital subscribed	466	1,627,534	-	-	1,628,000
Conversion of loan to shares	114	398,886	(35,368)	-	363,632
At 31 March 2020	<u>6,442</u>	<u>10,788,546</u>	<u>-</u>	<u>(9,962,370)</u>	<u>832,618</u>

	Share capital £	Share premium £	Equity reserve £	Profit and loss account £	Total £
At 1 April 2018 (as restated)	5,160	6,290,828	51,758	(5,276,379)	1,071,367
Loss for the year (as restated)	-	-	-	(2,190,139)	(2,190,139)
New share capital subscribed	652	2,281,348	-	-	2,282,000
Conversion of loan to shares	50	189,950	(16,390)	-	173,610
At 31 March 2019	<u>5,862</u>	<u>8,762,126</u>	<u>35,368</u>	<u>(7,466,518)</u>	<u>1,336,838</u>

The notes on pages 15 to 29 form an integral part of these financial statements.

VITESSE PSP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	(As restated) 2019 £
Cash flows from operating activities			
Loss for the year		(2,512,219)	(2,123,028)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	23,960	19,653
Finance costs	5	1,171	1,114
Income tax expense	9	<u>(3,629)</u>	<u>(168,126)</u>
		(2,490,717)	(2,270,387)
Working capital adjustments			
Decrease/(increase) in trade debtors	13	48,263	(255,214)
Increase/(decrease) in trade creditors	15	<u>192,550</u>	<u>(22,700)</u>
Cash generated from operations		(2,249,904)	(2,548,301)
Income taxes received	9	<u>166,099</u>	<u>161,991</u>
Net cash flow from operating activities		<u>(2,083,805)</u>	<u>(2,386,310)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(11,540)	(12,818)
Cash flows from financing activities			
Interest paid		(1,171)	(1,114)
Proceeds from issue of ordinary shares, net of issue costs		<u>1,617,000</u>	<u>2,282,000</u>
Net cash flows from financing activities		<u>1,615,829</u>	<u>2,280,886</u>
Net decrease in cash and cash equivalents		(479,516)	(118,242)
Cash and cash equivalents at 1 April		<u>1,253,422</u>	<u>1,371,664</u>
Cash and cash equivalents at 31 March	14, 22	<u><u>773,906</u></u>	<u><u>1,253,422</u></u>

The notes on pages 15 to 29 form an integral part of these financial statements.

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
9th Floor 107 Cheapside
London
EC2V 6DN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (March 2018), which is effective for accounting periods commencing on or after 1 January 2019.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Summary of disclosure exemptions

Vitesse PSP Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in the company's financial statements in relation to financial instruments, presentation of a statement of cash flows and and key management personnel compensation.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2020.

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

The directors have prepared cash flow forecasts for the group for 12 months from the approval of these financial statements, which considers the current COVID-19 outbreak and its potential impact on the business. After reviewing these forecasts and subject to a second tranche of the fundraise of £2.3m, expected to be received in January 2021 once regulatory approval has been received, the directors are confident that the group has adequate resources to continue in operational existence for at least the next 12 months. On the basis of this information, the directors consider it appropriate to prepare the financial statements on a going concern basis. As with a number of such businesses, however, it is difficult to accurately forecast the effect that COVID-19 will have on the group in the next 12 months.

Prior period errors

A prior period adjustment has been posted to reverse a previously recognised deferred tax asset and impair investments in subsidiary entities, details of which are included in note 20 to these financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, 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.

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

Judgements

No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	20% straight line
Fixtures and fittings	33% straight line
Computers	33% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Website	33% straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Rendering of services	<u>3,136,345</u>	<u>2,097,203</u>

The analysis of the group's turnover for the year by market is as follows:

	2020 £	2019 £
UK	2,763,938	1,599,470
Europe	92,779	85,360
Rest of world	<u>279,628</u>	<u>412,373</u>
	<u>3,136,345</u>	<u>2,097,203</u>

4 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	16,940	12,633
Amortisation expense	7,020	7,020
Foreign exchange gains	<u>(18,374)</u>	<u>(8,952)</u>

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5 Interest payable and similar expenses

	2020 £	2019 £
Interest expense on other finance liabilities	<u>1,171</u>	<u>1,114</u>

6 Staff costs

Group

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	1,870,850	1,676,255
Social security costs	230,453	183,096
Pension costs, defined contribution scheme	<u>65,211</u>	<u>65,402</u>
	<u>2,166,514</u>	<u>1,924,753</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Staff	33	30
Directors	<u>4</u>	<u>4</u>
	<u>37</u>	<u>34</u>

Company

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	1,705,139	1,521,185
Social security costs	211,209	165,218
Pension costs, defined contribution scheme	<u>63,700</u>	<u>65,402</u>
	<u>1,980,048</u>	<u>1,751,805</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Staff	30	29
Directors	<u>4</u>	<u>3</u>
	<u>34</u>	<u>32</u>

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	276,056	187,706
Contributions paid to money purchase schemes	3,117	-
	<u>279,173</u>	<u>187,706</u>

In respect of the highest paid director:

	2020	2019
	£	£
Remuneration	100,383	-
Company contributions to money purchase pension schemes	1,316	-
	<u>101,699</u>	<u>-</u>

8 Auditors' remuneration

	2020	2019
	£	£
Audit of these financial statements	<u>17,000</u>	<u>6,000</u>
Other fees to auditors		
Taxation compliance services	3,000	3,030
All other non-audit services	3,000	-
	<u>6,000</u>	<u>3,030</u>

9 Taxation

Tax charged/(credited) in the profit and loss account

	2020	(As restated)
	£	2019
		£
Current taxation		
UK corporation tax	-	(168,183)
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(3,629)</u>	<u>57</u>
Tax receipt in the income statement	<u>(3,629)</u>	<u>(168,126)</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	(As restated)	
	2020	2019
	£	£
Loss before tax	<u>(2,515,848)</u>	<u>(2,291,154)</u>
Corporation tax at standard rate	(478,011)	(435,319)
Effect of expense not deductible in determining taxable profit (tax loss)	6,116	5,384
Effect of foreign tax rates	(5,226)	-
Deferred tax expense/(credit) relating to changes in tax rates or laws	13,894	(13,472)
Deferred tax credit from unrecognised tax loss or credit	-	(113,695)
Tax increase from effect of capital allowances and depreciation	2,257	-
Tax increase from effect of unrelieved tax losses carried forward	457,331	293,054
Tax decrease from effect of adjustment in research and development tax credit	-	(72,366)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>10</u>	<u>168,288</u>
Total tax credit	<u>(3,629)</u>	<u>(168,126)</u>
Deferred tax		
Group		
Deferred tax assets and liabilities		
2020		Liability
		£
Accelerated capital allowances		(3,504)
Short term timing differences		<u>1,003</u>
		<u>(2,501)</u>
2019		Liability
		£
Accelerated capital allowances		(6,130)
Short term timing differences		<u>-</u>
		<u>(6,130)</u>
Company		
Deferred tax assets and liabilities		
2020		Liability
		£
Accelerated capital allowances		(3,504)
Short term timing differences		<u>1,003</u>
		<u>(2,501)</u>
2019		Liability
		£
Accelerated capital allowances		(6,130)
Short term timing differences		<u>-</u>
		<u>(6,130)</u>

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

10 Intangible assets

Group

	Website £
Cost	
At 1 April 2019	<u>21,060</u>
Amortisation	
At 1 April 2019	14,040
Amortisation charge	<u>7,020</u>
At 31 March 2020	<u>21,060</u>
Carrying amount	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>7,020</u>

Company

	Website £
Cost	
At 1 April 2019	<u>21,060</u>
Amortisation	
At 1 April 2019	14,040
Amortisation charge	<u>7,020</u>
At 31 March 2020	<u>21,060</u>
Carrying amount	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>7,020</u>

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11 Tangible assets

Group	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2019	20,420	14,126	49,880	84,426
Additions	-	3,564	7,976	11,540
Foreign exchange movements	-	-	5	5
At 31 March 2020	<u>20,420</u>	<u>17,690</u>	<u>57,861</u>	<u>95,971</u>
Depreciation				
At 1 April 2019	7,785	6,154	37,756	51,695
Charge for the year	3,348	5,030	8,562	16,940
Foreign exchange movements	-	-	8	8
At 31 March 2020	<u>11,133</u>	<u>11,184</u>	<u>46,326</u>	<u>68,643</u>
Carrying amount				
At 31 March 2020	<u>9,287</u>	<u>6,506</u>	<u>11,535</u>	<u>27,328</u>
At 31 March 2019	<u>12,635</u>	<u>7,972</u>	<u>12,124</u>	<u>32,731</u>
Company				
	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2019	20,420	14,126	49,284	83,830
Additions	-	3,564	7,976	11,540
At 31 March 2020	<u>20,420</u>	<u>17,690</u>	<u>57,260</u>	<u>95,370</u>
Depreciation				
At 1 April 2019	7,785	6,154	37,626	51,565
Charge for the year	3,348	5,030	8,447	16,825
At 31 March 2020	<u>11,133</u>	<u>11,184</u>	<u>46,073</u>	<u>68,390</u>
Carrying amount				
At 31 March 2020	<u>9,287</u>	<u>6,506</u>	<u>11,187</u>	<u>26,980</u>
At 31 March 2019	<u>12,635</u>	<u>7,972</u>	<u>11,658</u>	<u>32,265</u>

12 Investments

Company

	(As restated)	
	2020 £	2019 £
Investments in subsidiaries	<u>132,228</u>	<u>52,959</u>

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Subsidiaries	£
Cost	
At 1 April 2019	329,325
Additions	<u>324,698</u>
At 31 March 2020	<u>654,023</u>
Provisions	
At 1 April 2019	276,366
Provision	<u>245,429</u>
At 31 March 2020	<u>521,795</u>
Carrying amount	
At 31 March 2020	<u>132,228</u>
At 31 March 2019	<u>52,959</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Vitesse PSP B.V.	Coolsingel 6, 3011 AD, Rotterdam, Netherlands	Ordinary	100%	100%
VitessePSP SA (Pty) Ltd	PO Box 785848, Sandton, South Africa, 2146	Ordinary	100%	100%
Vitesse PSP Pty Ltd	C/o level 30, 525 Collins Street, Melbourne, Victoria, Australia, 3000	Ordinary	100%	100%
Vitesse Canada Technology Services Inc	8 Percy Street, London, W1T 1DJ	Ordinary	100%	100%

The principal activity of Vitesse PSP B.V. is the provision of service and technology platform that provides global business to business/customer cross border mass payments by utilising a domestic banking network.

The principal activity of VitessePSP SA (Pty) Ltd is that of a dormant company.

The principal activity of Vitesse PSP Pty Ltd is that of a dormant company.

The principal activity of Vitesse Canada Technology Services Inc is that of a dormant company.

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

13 Debtors

	Note	Group		Company	
		2020 £	2019 £	2020 £	2019 £
Trade debtors		190,430	205,982	190,430	205,982
Other debtors		281,262	311,758	279,139	309,690
Prepayments		105,644	105,775	100,827	103,506
Corporation tax asset	9	-	168,183	-	168,183
		<u>577,336</u>	<u>791,698</u>	<u>570,396</u>	<u>787,361</u>
Less non-current portion		<u>(164,980)</u>	<u>(117,048)</u>	<u>(164,980)</u>	<u>(114,980)</u>
		<u>412,356</u>	<u>674,650</u>	<u>405,416</u>	<u>672,381</u>

14 Cash and cash equivalents

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Cash at bank	<u>773,906</u>	<u>1,253,422</u>	<u>749,295</u>	<u>1,245,316</u>

Excluded from the Group cash and cash equivalents is an amount of £28,109,513 held in segregated client accounts subject to safeguarding restrictions.

15 Creditors

	Note	Group		Company	
		2020 £	2019 £	2020 £	(As restated) 2019 £
Due within one year					
Trade creditors		142,176	127,968	136,145	125,069
Amounts due to related parties	21	-	-	-	58,609
Social security and other taxes		92,866	63,172	79,256	58,278
Other creditors		126,190	6,556	126,190	6,556
Accrued expenses		<u>181,865</u>	<u>154,248</u>	<u>180,225</u>	<u>143,406</u>
		<u>543,097</u>	<u>351,944</u>	<u>521,816</u>	<u>391,918</u>
Due after one year					
Other non-current financial liabilities		-	374,632	-	374,632
Amounts owed to group undertakings		<u>-</u>	<u>-</u>	<u>121,964</u>	<u>15,403</u>
		<u>-</u>	<u>374,632</u>	<u>121,964</u>	<u>390,035</u>

In the prior year, other non-current financial liabilities of £374,632 comprised proceeds received from the issue of convertible loan notes. The proceeds had been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability to equity. During the year, all options have been converted to equity.

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

16 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £65,211 (2019 - £65,402).

17 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>6,442</u>	<u>6,442</u>	<u>5,862</u>	<u>5,862</u>

During the year 466 Ordinary shares of £1 each were issued at a premium of £1,627,534. A further 114 Ordinary shares of £1 each were converted from loans to shares, as set out in note 15, at a premium of £398,886.

18 Reserves

Called up share capital

This represents the nominal value of the issued share capital of the company.

Share premium

This represents amounts paid in excess of the nominal value of the issued share capital of the company.

Equity reserve

The equity reserve is for the equity component of unconverted convertible loan notes.

Retained earnings

This represents the cumulative profits or losses, net of dividends paid and other adjustments.

19 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	191,634	191,634
Later than one year and not later than five years	958,170	958,170
Later than five years	<u>31,939</u>	<u>223,573</u>
	<u>1,181,743</u>	<u>1,373,377</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £191,634 (2019 - £191,634).

Company

Operating leases

The total of future minimum lease payments is as follows:

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Not later than one year	191,634	191,634
Later than one year and not later than five years	958,170	958,170
Later than five years	31,939	223,573
	<u>1,181,743</u>	<u>1,373,377</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £191,634 (2019 - £191,634).

20 Prior year restatement

A prior year restatement has been processed in the financial statements to reverse a deferred tax asset of £1,146,233 which had been previously been recognised. The impact of this on the results for the year ended 31 March 2019 is as follows:

- Decrease in deferred tax assets of £1,146,233
- Decrease in deferred tax credits in the profit or loss of £340,125
- Decrease in profit and loss reserves as at 1 April 2018 of £806,108.

A further prior year restatement has been processed in the entity only financial statements to impair investments in subsidiary entities by £276,366. This adjustment reverses on consolidation. The impact of this on the results for the year ended 31 March 2019 is as follows:

- Decrease investment in subsidiary entities of £276,366
- Decrease profit and loss reserves as at 31 March 2019 of £276,366.

21 Related party transactions

At 31 March 2020, the company owed £nil (2019 - £6,526) to one of its directors in respect of a loan made to the company in a previous year.

Key management personnel are considered to be the directors of the group and key management personnel compensation is disclosed in note 7 to these financial statements.

Balances with group undertakings are disclosed in notes 13 and 15 to these financial statements.

22 Analysis of net debt

	At 1 April 2019	Cash flow	Acquired with subsidiary	Other non-cash changes	At 31 March 2020
	£	£	£	£	£
Cash at bank and in hand	1,253,422	(479,516)	-	-	773,906
Bank overdraft	-	-	-	-	-
	<u>1,253,422</u>	<u>(479,516)</u>	<u>-</u>	<u>-</u>	<u>773,906</u>
Debt due within one year	-	-	-	-	-
Debt due in more than one year	-	-	-	-	-
Finance lease and hire purchase contract	-	-	-	-	-
Net debt	<u>1,253,422</u>	<u>(479,516)</u>	<u>-</u>	<u>-</u>	<u>773,906</u>

VITESSE PSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

23 Parent and ultimate parent undertaking

The group is controlled by the directors.

24 Non adjusting events after the financial period

On 26 June 2020, 6,442 Ordinary £1 shares were sub-divided into 6,442,000 £0.001 shares.

On 26 June 2020, an investment agreement was signed for £6,586,815 receivable in two tranches. On 29 June 2020, 249,660 Series A1 £0.001 shares and 969,017 Series A2 £0.001 shares were issued for consideration of £3.50 per share comprising the first tranche of the fundraise. The number in shares in issue after this transaction was 7,660,677.