

# **DAVICTUS PLC**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

## DAVICTUS PLC

### CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

I am pleased to report the interim financial statements of Davictus PLC (the "Company" or Davictus") for the six months ended 30 June 2022.

The Company currently has two (2) franchisees located in Kuala Lumpur, Malaysia and Bangkok Thailand.

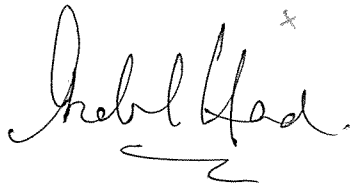
Although the worst seems to be over, the aftereffects of the COVID-19 pandemic continues to impact businesses globally and retail segment. After two years of uncertainty, the health crises had turned into a global financial downturn due to the restrictions imposed by most countries to contain the spread of the virus. The Company had given its best to support and assist the franchisees to revise restaurant guidelines to adapt with the new normal of post COVID-19 customer behaviour after reopening the economy.

Based on the above, the Company will adopt a more careful approach in recruiting additional franchisees for other cities in Asia as initially planned.

The Company places importance to the welfare of its employees. Additionally, safety concerns of our franchisee's customers remain main priority to the Company and its franchisees. I trust that the Company had done everything it can in taking all appropriate measures to keep people safe whilst ensuring continuity of our operations.

The Company continues to monitor the impact of the pandemic and will assist all stakeholders to address the effects and possible actions actively. The Company continues to keep its overhead low to maintain the business liquidity and stay resilient in the strange times where the future remains uncertain for at least until end of 2022.

The board would like to thank all the stakeholders of the Company for their continued support.

A handwritten signature in black ink, appearing to read 'Abd Hadi Bin Abd Majid'. The signature is fluid and cursive, with a small 'x' mark above the second 'd' in 'Hadi'. There is a horizontal line underneath the signature.

**Abd Hadi Bin Abd Majid**  
*Chairman*  
15 September 2022

**DAVICTUS PLC**

**DIRECTORS' STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

For the reporting period under review, the Company reported a net profit of £54,846. At 30 June 2022, the Company had cash in bank of £242,849.

There are a number of potential risks and uncertainties which may have material impact on the Company's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The directors do not consider any changes on the principal risks and uncertainties since the publication of the annual report for the year ended 31 December 2021, which contained a detailed explanation of the risks relevant to the Company, is also available at <http://www.davictus.co.uk>.

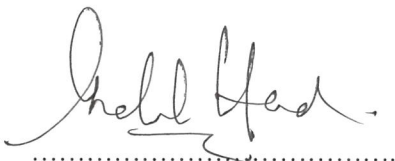
The Board looks forward to providing further updates to the shareholders in due course.

**Responsibility Statement**

The Directors are responsible for preparing the Condensed Interim Financial Statements in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ('DTR') and with International Accounting Standard 34 on Interim Financial Reporting (IAS 34).

The directors confirm that, to the best of their knowledge, this condensed consolidated interim financial statement have been prepared in accordance with IAS 34, as adopted by the European Union. The interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.



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**Director**

15 September, 2022

DAVICTUS PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	6 months period ended 30-Jun-22	6 months period ended 30-Jun-21
		(Unaudited) £	(Unaudited) £
Revenue	3	150,000	75,000
Cost of sales		-	-
<b>Gross profit</b>		<b>150,000</b>	<b>75,000</b>
Operating expenses		(85,995)	(79,635)
<b>Operating Profit / Loss</b>		<b>64,005</b>	<b>(4,635)</b>
Other income		-	1,066
Gain on foreign exchange		-	1,249
Interest income		-	8
Finance expenses		-	(3,092)
<b>Profit / Loss before taxation</b>		<b>64,005</b>	<b>(5,404)</b>
Tax expense	4	-	-
<b>PROFIT / LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS</b>		<b>64,005</b>	<b>(5,404)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Loss on disposal of investment		(9,159)	-
<b>TOTAL COMPREHENSIVE PROFIT FOR THE YEAR</b>		<b>54,846</b>	<b>(5,404)</b>
<b>Basic and diluted loss per share (pence)</b>	5	<b>0.04 p</b>	<b>(0.04) p</b>

DAVICTUS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

		As at 30-Jun-22	As at 30-Jun-21	As at 31-12-21
	Notes	(Unaudited) £	(Unaudited) £	Audited £
<b>Non-current assets</b>				
Right-of-use asset	7	45,633	76,056	60,844
		<u>45,633</u>	<u>76,056</u>	<u>60,844</u>
<b>Current assets</b>				
Trade receivables		-	82,500	47,461
Other receivables		9,566	14,490	-
Cash and cash equivalents		242,849	45,523	96,624
		<u>252,415</u>	<u>142,513</u>	<u>144,085</u>
<b>Total assets</b>		<u>298,048</u>	<u>218,569</u>	<u>204,929</u>
<b>Equity attributable to equity holders of the company</b>				
Share capital	8	1,224,400	1,224,400	1,224,400
Accumulated losses		(1,173,258)	(1,224,564)	(1,237,270)
<b>Total equity</b>		<u>51,142</u>	<u>(164)</u>	<u>(12,870)</u>
<b>Non-current liabilities</b>				
Lease liabilities		32,420	47,766	30,176
		<u>32,420</u>	<u>47,766</u>	<u>30,176</u>
<b>Current liabilities</b>				
Other payables	9	(5,350)	134,258	18,537
Deferred Income		204,167	-	136,666
Amount owing to directors		318	7,568	-
Lease liabilities		15,351	29,141	32,420
		<u>214,486</u>	<u>170,967</u>	<u>187,623</u>
<b>Total equity and liabilities</b>		<u>298,048</u>	<u>218,569</u>	<u>204,929</u>

DAVICTUS PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	As at 30-Jun-22	As at 30-Jun-21
	(Unaudited) £	(Unaudited) £
<b>Cash flow from operating activities</b>		
Operating Profit /(Loss)	54,846	(5,404)
Adjustment for:		
Gain on disposal of lease	-	(1,066)
Loss on disposal of investment	9,159	-
Depreciation of right-of-use-assets	15,211	15,211
Interest on lease liabilities	1,976	2,446
	<u>81,192</u>	<u>11,187</u>
<b>Changes in working capital</b>		
Decrease / (increase) in receivables	37,895	(61,140)
Increase / (decrease) in other payables	43,613	48,674
Increase / (decrease) in amount due to directors	318	7,568
<b>Net cash flow used in operating activities</b>	<u>81,826</u>	<u>(4,898)</u>
<b>Cash flows from financing activities</b>		
Proceed from issuance of shares	-	36,000
Proceed from disposal of investment	8	-
Repayment on lease liability	(16,801)	(16,806)
<b>Net cash generated from financing activities</b>	<u>(16,793)</u>	<u>19,194</u>
<b>Net increase in cash and cash equivalents</b>	<u>146,225</u>	<u>25,483</u>
Cash and cash equivalents at beginning of period	<u>96,624</u>	<u>20,040</u>
<b>Cash and cash equivalents at end of period</b>	<u>242,849</u>	<u>45,523</u>

DAVICTUS PLC

CONDENSED CONSOLIDATED STATEMENT CHANGES OF EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2022

Period from 1 January 2022 to 30 June 2022

	Stated capital	Accumulated losses	Total
	£	£	£
As at 1 January 2022	1,224,400	(1,237,270)	(12,870)
Profit for the period	-	54,846	54,846
Total comprehensive profit for the period	-	54,846	54,846
Accumulated Loss of subsidiary disposed during the year	-	(9,166)	9,159
<b>As at 30 June 2022</b>	<b>1,224,400</b>	<b>(1,173,258)</b>	<b>51,142</b>

Period from 1 January 2021 to 30 June 2021

	Stated capital	Accumulated losses	Total
	£	£	£
As at 1 January 2021	1,224,400	(1,219,160)	5,240
Loss for the period	-	(5,404)	(5,404)
Total comprehensive loss for the period	-	(5,404)	(5,404)
<b>As at 30 June 2021</b>	<b>1,224,400</b>	<b>(1,224,564)</b>	<b>(164)</b>

For the year ended 31 December 2021

	Stated capital	Accumulated losses	Total
	£	£	£
As at 1 January 2021	1,188,400	(1,219,159)	(30,759)
Proceeds from issuance of ordinary shares	36,000	-	36,000
Loss for the period	-	(18,111)	(18,111)
Total comprehensive loss for the period	36,000	(18,111)	17,889
<b>As at 31 December 2021</b>	<b>1,224,400</b>	<b>(1,237,270)</b>	<b>(12,870)</b>

# DAVICTUS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 JUNE 2022

### 1. GENERAL INFORMATION

The Company was incorporated and registered in Jersey as a public company limited by shares on 5 February 2015 under the companies (Jersey) Law 1991 and registered number 117716. The registered office of the Company is at the offices of 28 Esplanade, St. Helier, Jersey, JE1 8SB.

On 15 March 2020, the Company acquired a dormant British Virgin Island incorporated company as a wholly owned subsidiary for purpose of business operation (together in this financial report referred as the 'Group').

### 2. ACCOUNTING POLICIES

#### **Basis of preparation**

The interim financial statements for the six-month period ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting. It is unaudited and does not constitute statutory financial statements. The comparative interim financial information covers the period ended 30 June 2021.

The interim financial statements have been prepared on a basis consistent with, and on the basis of, the accounting policies set out in the audited financial statements of the Group for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom.

The interim financial information is presented in British Pound Sterling ("£").

#### **New standards and interpretations**

A number of new standards and amendments to standards and interpretations have been issued by International Accounting Standards Board but are not yet effective and in some cases have not yet been adopted by the EU. The Directors do not expect that the adoption of these standards will have a material impact on the financial statements of the Group in future periods.

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All intercompany transactions, balances, income and expenses are eliminated in consolidation.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)**

**Going concern**

The condensed interim financial statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The Covid-19 pandemic has been unprecedented in scale and impact, and the Group have taken swift and decisive action to protect our customers, colleagues, franchisees and their staff and the communities in which the Group operates, by implementing the necessary steps to safeguard the business through the crisis, in line with the government guidelines.

The significant impact of Covid-19 to the Group business is summarised below:

- Delay in franchisee restaurant engagement. - Due to MCO (movement control order) announced by Malaysian Government, the launch the new franchise restaurants was being delayed
- Working capital inflow of fund are lagging behind initial plan. The Group has arranged additional short-term financing from directors if required to support continuity of business operations
- This might impact the business revenue of franchisees, and reduce the royalty payment that is by percentage of gross revenue sales.

Based on the current working capital forecast, the Group is unlikely to need additional funds within twelve months of the date of approval of these financial report in order to maintain its proposed work levels and to continue successfully managing its cash resources. After making enquiries and considering the assumptions upon which the forecasts have been based, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Fees receivable from franchisee according to franchise agreement at which time the Group has performed its obligation. Fees receivable in advance are stated on the Consolidated Statement of Financial Position as deferred income.

**Leases**

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statement of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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 Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

**3. REVENUE**

The Group revenue are derived from franchise related fees including brand licence, management fee and royalties according to Restaurant Franchise Agreement. For the reporting period, revenue contributions are from a franchisee located in Kuala Lumpur, Malaysia and Bangkok Thailand.

There are no seasonal factors that materially affect the operations of the Group.

**4. INCOME TAX EXPENSE**

The Company is not a "Financial Services Company" registered under the relevant Jersey laws; or a specified utility company and therefore it is subject to Jersey income tax at the general rate of 0 per cent. If the Company derives any income from Jersey property, including development of land or quarrying, such income will be subject to tax at the rate of 20 per cent. It is not expected that the Company will derive any such income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)**

**5. PROFIT / (LOSS) PER SHARE**

Basic profit / (loss) per ordinary share is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There are currently no dilutive potential ordinary shares.

	<b>6 months period ended 30-Jun-22</b>	<b>6 months period ended 30-Jun-21</b>
	<b>£</b>	<b>£</b>
Profit / Loss for the period	54,846	(5,404)
Weighted average number of shares (Unit)	13,350,000	12,216,298
Profit / (Loss) per share (pence)	0.41 <i>p</i>	(0.04) <i>p</i>

**6. INTANGIBLE ASSETS**

Intangible assets refers to intellectual property rights in restaurant concept brand of HAVANA Rolled Cigar Music Café including their recipes and collection of Cuban/Havana graphics acquired at the cost of £100,000 from Typical Dutch N.V.

The asset acquired has indefinite useful life and will be reviewed for impairment annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

**7. RIGHT-OF-USE ASSETS**

The Company has entered into a non-cancellable operating lease agreement for tenancy of office space. The lease is for a period of 36 months operating lease agreement commencing 1 January 2021 with an option to renew the lease for a further 12 months.

	<b>£</b>
Cost	91,266
Accumulated depreciation	(45,633)
As at 30 June 2022	<u>45,633</u>

DAVICTUS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

8. STATED CAPITAL

	Number of ordinary shares	£
As at 1 January 2022	13,350,000	1,224,400
As at 30 June 2022	13,350,000	1,224,400

9. OTHER PAYABLES

	6 months period ended 30-Jun-22 £	6 months period ended 30-Jun-21 £
Other Creditors	(5,350)	34,852
Deferred Income	204,167	76,667
Amount owing to Director	318	-
Lease Liability	15,351	-
Accruals and Provision	-	22,739
	<u>214,486</u>	<u>134,258</u>

10. LEASE LIABILITIES

	6 months period ended 30-Jun-22 £	6 months period ended 30-Jun-21 £
As at 1 January	67,203	48,119
Addition during the year	-	100,805
De-recognition of lease due to termination	-	(48,119)
Interest in suspense	(4,670)	(9,538)
Interest expensed	1,976	2,446
Repayment of principal	(16,801)	(16,806)
	<u>50,402</u>	<u>76,907</u>

Lease liabilities are payable as follow:

Within 1 year	16,800
Between 2- 5 years	33,602

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)**

**11. RELATED PARTY TRANSACTION**

The directors are considered to be the key management personnel. Details concerning Directors' remuneration can be found below:

	<b>6 months period ended 30-Jun-22 £</b>	<b>6 months period ended 30-Jun-21 £</b>
Robert Pincock	7,500	7,500
Abd Hadi Bin Abd Majid	5,000	5,000
Maurice James Malcolm Groat	2,000	2,000
	14,500	14,500

**12. SUBSEQUENT EVENTS**

There were no subsequent events after the reporting period.