daVictus PLC

Annual Report & Accounts
for year ended 31 December 2021

Contents

Company information

Directors	Abd Hadi ("Hadi") bin Abd Majid *(Non-Executive Chairman)* Robert Logan Pincock *(Chief Executive Officer)* Maurice ("Malcolm") James Malcolm Groat *(Non-Executive Director)*
Company Secretary and the registered office	JTC PLC 28 Esplanade, St Helier JE1 8SB Jersey Channel Islands
Registered Number	117716
Broker	Optiva Securities Limited 49 Berkeley Square London W1J 5AZ United Kingdom
Auditors	Shipleys LLP 10 Orange Street, Haymarket London, WC2H 7DQ United Kingdom
Legal advisers – English law	Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP
Principal Bankers	Standard Bank Jersey Limited Standard Bank House PO Box 583 47-49 La Motte Street St. Helier Jersey JE4 8XR Channel Islands
Registrars	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St Helier Jersey JE1 1ES

Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of directors, I would like to present the financial statements of daVictus Plc (the "Company" or "daVictus") and its subsidiary undertakings (together the "Group") for year ended 31 December 2021.

After more than a year into the COVID-19 pandemic and various economic lockdowns, the Company had successfully appointed its second franchisee for its flagship Premium Dining restaurant chain, Havana Dining, located in the business district of Sukhumvit, Bangkok.

While the COVID-19 pandemic continues to affect the hospitality business, many governments throughout the world are now moving ahead in treating the spread of the COVID-19 virus as an endemic and thus enabling more regular opening of businesses with the view of further opening of the economic and tourism sectors in months to come. Already borders of most countries have opened for unlimited travel starting from 1st April 2022.

Business for the franchisees have yet to pick up as expected and the Company foresees a slow and steady growth of revenue beginning from April 2022 onwards and expect businesses to reach its intended business capacity before the year end.

We continue to take care of the welfare of our employees and the safety and concerns of our franchisee's customers which remain paramount and I am happy to announce 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 is hopeful that no further lockdowns will be necessary in the future such that the businesses of both the franchisees can flourish as planned.

Abd Hadi Bin Abd Majid
Chairman
13 May 2022

Operational and Financial Review

During the financial year, the Company successfully appointed its second franchisee. The selected location for this second franchisee is in the business district of Sukhumvit, Bangkok.

Cash on hand as of 31 December 2021 is £96,624.

On 21 February 2022, The Company announced the appointment of Shipleys LLP as the Company's external auditor.

Financial risk management objectives and policies

The Group does not, at present enter into any forward exchange rate contracts or any other hedging arrangements. The main financial risks arising from the Group's activities are cash flow interest rate risk, liquidity risk, price risk (fair value) and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised as:

Cash flow interest rate risk – the Group's exposure to the risk of changes in market interest rates relates primarily to the Group's overdraft accounts with major banking institutions.

The Group's policy is to manage its interest income, when received, using a mixture of fixed and floating rate deposit accounts.

Liquidity risk – the Company raises funds as required on the basis of budgeted expenditure and inflows. When funds are sought, the Group balances the costs and benefits of equity and debt financing. When funds are received, they are deposited with banks of high standing in order to obtain market interest rates.

Price risk – the carrying amount of the following financial assets and liabilities are approximate to their fair value due to their short-term nature: cash accounts, accounts receivable and accounts payable.

Credit risk – with respect to credit risk arising from other financial assets of the Group, which comprise cash and time deposits and accounts receivable, the Group's exposure to credit risk arises from default of the counterparty, with a minimum exposure equal to the carrying amount of these instruments. The credit risk on cash is limited as cash is placed with substantial financial institutions.

Board of Directors

Abd Hadi bin Abd Majid *(aged 72) – **Non-Executive Chairman***

Hadi Majid has, since 2007, been a director and Chairman of VCB Malaysia Berhad ("VCB"), an investment group offering wealth management, corporate finance and a private equity division. In this capacity Mr Majid has been responsible for growing VCB's business within Asia. An MBA graduate, Mr Majid has sixteen years of experience in merchant banking, with roles including General Manager of Capital Markets and Corporate Banking Department of Bumiputra Merchant Bankers Berhad. Mr Majid's capital markets experience and exposure includes reviewing public listing proposals, company take-overs and mergers, underwriting of new share issues, underwriting for bond issues and investment portfolio of the bank. He has experience in managing portfolios involved with making direct loans as well as arranging for various forms of structured fund raisings via syndicated loans, club-deals, married deals, private debt securities namely revolving underwriting facilities, note issuance facilities, medium term notes and bank guarantees for bond issues.

Robert Logan Pincock *(aged 43) – **Chief Executive Officer***

Robert Pincock is a graduate of the University of Edinburgh. In his career in the hospitality industry, he has worked in both the United States and the United Kingdom prior to being based in Bangkok, Thailand for over eleven years. Mr Pincock began his career within his family's hotel business in the UK, where he assisted in most areas of operations over a six-year period. During this time, he undertook a hotel management internship with the Hampshire Hotels and Resorts group based in Manhattan, New York. After graduating, Mr Pincock had a short stint with Tesco UK before moving to South East Asia. In Bangkok, Mr Pincock began as a General Manager for a new bar and restaurant group and over time was promoted to Operations Director where he oversaw the group growing to seven Western themed venues. This group was eventually split between the two main shareholders. Mr Pincock retained his involvement and initiated investments leading to him and his partners owning and operating four venues. Mr Pincock is well versed with the Asian culture of doing business as well as with promoting Western brands in the local market.

Maurice James Malcolm Groat *(aged 61) – **Non-Executive Director***

Malcolm Groat has worked for many years as a consultant to companies in the technology, natural resources, and general commerce sectors. Following an early career with PricewaterhouseCoopers in London, he held posts as Chief Financial Officer, Chief Operating Officer, and Chief Executive Officer in established corporations including Executive Chairman at MMM Consulting Ltd; Finance Director at then AIM traded London Mining plc and Platinum Mining Corporation of India plc; and Group Finance Director and Chief Operating Officer of E C Harris LLP. Mr Groat took on his first non-executive director role with the former Milk Marketing Board in 2005 and was part of the team that led the acquisition of the Community Foods Group, a supplier of health foods and free trade products (including dried fruits, chocolate, etc.) to many of the UK's major supermarkets. Mr Groat holds a number of non-executive directorships with listed growth ventures. He also serves as Senior Independent Director at Baronsmead Second Venture Trust PLC and as Chairman at Harland & Wolff and TomCo Energy. Mr Groat is a Fellow of the Institute of Chartered Accountants in England and Wales.

Directors Report

The Directors present their Report with the financial statements of the Company and its subsidiary undertakings (together the "Group") for year ended 31 December 2021.

Results and dividends

The results for the year are set out in the Statement of Comprehensive Income on page 17. The Directors do not recommend the payment of dividend on the Ordinary Shares.

Company objective

The Company's primary objective is that of securing the best possible value for the shareholders, consistent with achieving both capital growth and income for shareholders. The Company intends to undertake one or more acquisitions of business (either shares or assets) which operate in or own Western F&B eatery franchises in Southeast Asia and/or the Far East.

The Company will retain flexibility between: (i) establishing a new franchise in a new region, in which case it would purchase the franchise and then build a management team to operate the franchise; or (ii) purchasing an established franchise and seeking to grow this both within its established region and in other regions in Asia.

The Group's business risk

An explanation of the Group's financial risk management objectives, policies and strategies is set out in note 11 and the Operating and Financial Review.

Directors

The Directors who served the Company during the year and their beneficial interest in the Ordinary Shares of the Company at 31 December 2021 were as follows:

Abd Hadi bin Abd Majid
Robert Logan Pincock
Maurice James Malcolm Groat

Directors' interest

As at 31 December 2021, Robert Pincock, one of our directors, owns 1,250,000 ordinary shares, which represents an 9.36 % interest.

Directors Report (continued)

Substantial shareholders

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at 2 March 2022

Party Name	Number of Ordinary Shares	% of Share Capital
Infinity Mission Limited	1,435,000	10.75%
Link Summit Limited	1,388,343	10.40%
Nordic Alliance Holding Limited	1,288,546	9.65%
Belldom Limited	1,259,999	9.44%
Robert Pincock	1,250,000	9.36%
Amber Oak Holdings Limited	1,127,000	8.44%
Eastman Ventures Limited	1,104,454	8.27%
VCB A.G	900,000	6.74%
West Park Capital Manager Ltd	400,000	3.00%

Capital and returns management

Based on the Company's plans for 2022, and after making enquiries (including preparation of reasonable trading forecasts) and consideration of current financing arrangements, the Directors have a reasonable expectation that the Company has adequate resources to continue operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Dividend policy

The Directors recognise the importance of dividends to investors and, as the Company's business matures, will keep under review the desirability of paying dividends. Future income generated by the Company is likely to be re-invested in the Company to implement its strategy. In view of this, it is unlikely that the Board will recommend a dividend in the following years unless there are any changes in the business outlook. There are no fixed dates for dividend payments by the Company and no dividends have been paid to date, although should the Company be in a position to declare a dividend in the future it will consider this at that time.

Going concern

As described in the note 2 (c), the financial statement have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as as and when they fall due in the foreseeable future.

The COVID-19 pandemic has adversely affected and is expected to continue to adversely affect the financial results, condition and outlook. Health epidemics or pandemics can adversely affect consumer spending and confidence levels and supply availability and costs, as well as the local operations in impacted markets, all of which can affect financial results, condition and outlook. Importantly, the global pandemic resulting from COVID-19 has disrupted global health, economic and market conditions, consumer behaviour and Havana franchise restaurant operations beginning in middle 2020. Local and national governmental mandates or recommendations and public perceptions of the risks associated with

Directors Report (continued)

the COVID-19 pandemic have caused, and we expect will continue to cause, consumer behaviour to change and worsening or volatile economic conditions, each of which could continue to adversely affect the business. In addition, the franchise operations have been disrupted to varying degrees and may continue to be disrupted given the unpredictability of the virus, its resurgences and government responses thereto as well as potentially permanent changes to the industry.

As before, even with all those risks and impact stated above, the Group have taken and will continue to take a number of measures to monitor and prevent the effects of the COVID-19 virus to its operations. This includes safety and health measures for our people (i.e. social distancing and working from home), securing the supply of materials that are essential to our production process, raising capital as required and keeping the option open for additional financing from directors to support continuity of our operations as well as keeping open communication with our key stakeholders.

Where possible and applicable as a F&B franchiser, the company continues to assists franchisee to adopt the new norm of post-COVID-19 consumer behaviour and restaurant operations such as exploration of take-out, drive-through and delivery options.

The Company supports increased domestic/local sourcing for supply chain as well as meeting the standard operating procedures fr sanitization practices in the preparing and handling of food.

The Company will not pay any dividends this year.

Based on the circumstances described above, the financial statements are prepared on the assumption that the entity is a going concern.

Corporate governance

There is no applicable regime of corporate governance to which the directors of a Jersey company must adhere over and above the general fiduciary duties and duties of care, skill and diligence imposed on such directors under Jersey law.

The Group has not yet adopted a corporate governance structure as it is still in an early stage of development. Neither the diversity policy was adopted by the Company.

However, the board has developed corporate governance process as discussed below. These processes have been determined with reference to the Quoted Companies Alliance revised Corporate Governance Code for Small and Mid-Size Quoted Companies ('the QCA Code'), which the Company intends to adopt in the future.

(1) Structure and process. The Group is young and not yet fully active in its chosen business. Governance is achieved by the Directors acting together in approving all activity and by accounting and financial control being in the hands of the Directors acting alongside third party service providers.

(2) Responsibility and accountability. Although the team is small, roles are clearly defined. The Board is chaired by a seasoned Non-Executive Chairman who is not the chief executive, and the Board also benefits from having a second seasoned Non-Executive Director who is independent.

Directors Report (continued)

Corporate governance (Continued)

(3) Board balance and size. Because of its small size and low level of commercial activity, the Group is well managed under a Board of three Directors, none of whom works elsewhere with the others or worked previously with the others and all of whom have individual professional standing.

(4) Board skills and capabilities. Robert Pincock has directly relevant and current knowledge of running businesses in the Company's chosen sector and geographical markets. The other two Directors have extensive financial and governance experience, one with particular knowledge of the London markets and one with particular knowledge of South East Asian markets.

(5) Performance and development. Each year the board conducts a review of the performance of the Directors and of Board committees, and make a formal consideration as to the need for change.

(6) Information and support. The Directors share and discuss all relevant information and draw upon external advice as required.

(7) Cost-effective and value-added. Recognising the early stage of development, the Directors do not intend to formalise a review of this until after the Company makes its first acquisition.

(8) Vision and strategy. The Directors set out their clear vision in the Admission prospectus. No changes have been made since then.

(9) Risk management and internal control. These matters fall into the remit of the Group's Audit and Remuneration Committees.

(10) daVictus held its Annual General Meeting on 23 September 2021 engaging shareholders who attended to vote for the given resolutions and approved those resolutions including the adoption of audited account 2020, re-appointment of director and auditor.

(11) Stakeholder and social responsibility. The Directors are mindful of the impact of the Company on wider society and will ensure a formal corporate and social responsibility regime is put in place following the Company's first acquisition.

At a general meeting at which a director retires by rotation, the Company may fill the vacancy and, if it does not do so, the retiring director shall be, if willing, deemed reappointed. A Director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed (or deemed reappointed by the Company failing to fill the vacancy), he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

The Company has established the following committees:

Audit committee

The audit committee, which currently comprises Malcolm Groat (as chair) and Hadi Majid, has the primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls. The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring the financial performance of the Company is properly monitored and reported. The audit committee will meet not less than two times a year.

Directors Report (continued)

Remuneration committee

The remuneration committee, which currently comprises Hadi Majid (as chair) and Malcolm Groat, is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Company. No remuneration committee meeting took place during in the year.

Nomination committee

The Company does not have a nomination committee as the Board does not consider it appropriate to establish such a committee at this stage of the Company's development. Decisions which would usually be taken by the nomination committee will be taken by the Board as a whole. No nomination committee meeting took place during in the year.

Auditors

The auditors, Shipleys LLP, have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Directors Report (continued)

Statement of Directors' responsibilities

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

Company law requires financial statements to be prepared for each financial year in accordance with one of the prescribed generally accepted accounting principles. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted International Accounting Standards and applicable 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 group 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the daVictus plc website is the responsibility of the Directors.

Legislation in Jersey or the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions. The Directors confirm, to the best of their knowledge that:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- the management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

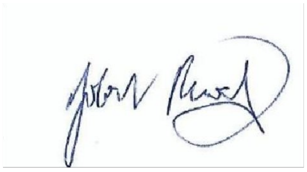
Directors Report (continued)

Statement as to Disclosure of Information to Auditors

The Directors confirm that:

- there is no relevant audit information of which the Group's statutory auditor is unaware; and each Director has taken all the necessary steps he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's statutory auditor is aware of that information.

This responsibility statement was approved by the Board of Directors on 13 May 2022 and is signed on its behalf by;



………………………………………….
Robert Pincock
Director

13 May 2022

Independent Auditor's Report to the Members of daVictus plc

Opinion

We have audited the financial statements of daVictus plc (the "Company") and its subsidiary undertaking (together referred to as the "Group") for the year ended 31 December 2021, which comprise:

- the consolidated statement of comprehensive income for the year ended 31 December 2021;
- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of cash flows for the year ended 31 December 2021;
- the consolidated statement of changes in equity for the year ended 31 December 2021;
- notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2021 and the Group's loss for the year then ended; and
- have been properly prepared in accordance with UK-adopted International Accounting Standards.
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Our opinion is consistent with our reporting to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained 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, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.
To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.
We have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Material uncertainty related to going concern

We draw attention to the disclosure note 2c in the financial statements, which indicates the existence of a material uncertainty, which may cast doubt about the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the ability of the Group and the Parent Company continue to adopt the going concern basis of accounting included the following procedures:

We evaluated the Directors' assessment of the Group's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment. Additionally, we reviewed and challenged the results of management's stress testing, to assess the reasonableness of economic assumptions in light of the impact of COVID-19 on the Group's solvency and liquidity position.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.'

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £4,099, based on approximately 2% of the Group's total assets at the year end.
We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality to be £3,074.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £205. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

We performed a full scope audit on the Group in accordance with ISAs (UK).

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at areas where the Directors made subjective judgements, which involved making assumptions and considering future events that are inherently uncertain, such as their going concern assessment.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance on our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

Going concern was identified as a key audit matter and has been addressed within the "Conclusions relating to going concern" section of the audit report. We have determined that there are no other key audit matters to communicate in our report. Our audit procedures in relation to the matter were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on the matter individually and we express no such opinion.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.
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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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 Company and Group'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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and tax legislation in the UK and Cayman Islands jurisdictions in which the Group operates.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, and reviewing accounting estimates for biases.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances on non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Appointment

We were appointed by the board on 21 February 2022 to audit the financial statements for the year ended 31 December 2021. Our total uninterrupted period of engagement is 1 year, covering the year ended 31 December 2021.

Use of our report

This report is made solely to the Company's members, in accordance with the terms of our engagement letter. 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.

Benjamin Bidnell

BENJAMIN BIDNELL

For and on behalf of

SHIPLEYS LLP

Chartered Accountants and Statutory Auditor

10 Orange Street, Haymarket, London, WC2H 7DQ

13 May 2022

Consolidated Statement of Comprehensive Income
for year ended 31 December 2021

	Note	As at 31-Dec-2021 £	As at 31-Dec-2020 £
Revenue	4	162,500	78,333
Direct cost		-	-
Gross Profit		162,500	78,333
Other Income			
Gain on Disposal of Lease		1,066	-
Interest income		8	210
		163,574	78,543
Administrative expenses		(181,685)	(330,476)
Operating loss before taxation	5	**(18,111)**	**(251,933)**
Income tax expense	6	-	-
Loss for the year		**(18,111)**	**(251,933)**
Loss per share			
Basic and diluted (pence per share)	7	**(0.14)**	**(2.11)**

The notes to the financial statements form an integral part of these financial statements

Consolidated Statement of Financial Position
as at 31 December 2021

Assets	**Note**	**As at 31-Dec-2021** £	**As at 31-Dec-2020** £
Other assets			
Right of use asset	8	60,844	47,054
		60,844	47,054
Current assets			
Trade and other receivables	9	47,461	35,850
Cash and cash equivalents	10	96,624	20,040
Total current assets		144,085	55,890
Total assets		**204,929**	**102,944**
Equity and liabilities			
Capital and reserves			
Stated capital	11	1,224,400	1,188,400
Accumulated loss		(1,237,270)	(1,219,159)
Total equity		(12,870)	(30,759)
Liabilities			
Non-current liability			
Lease liability	12	30,176	26,812
Current liabilities			
Other payables	13	18,537	85,584
Lease liability	12	32,420	21,307
Deferred Income		136,666	-
Total current liabilities		187,623	106,891
Total liabilities		217,799	133,703
Total equity and liabilities		**204,929**	**102,944**

The notes to the financial statements form an integral part of these financial statements

This report was approved by the board and authorised for issue on 13 May 2022 and signed on its behalf by;

………………………
Robert Pincock
Director

Consolidated Statement of Changes in Equity
For the year ended 31 December 2021

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

For the year ended 31 December 2020

	Stated capital	Accumulated loss	Total
	£	£	£
As at 1 January 2020	1,188,400	(967,226)	86,174
Loss for the year	-	(251,933)	(251,933)
Total comprehensive loss for the year	-	(251,933)	(251,933)
As at 31 December 2020	**1,188,400**	**(1,219,159)**	**(30,759)**

Consolidated Statement of Cash Flows
for the year ended 31 December 2021

	Note	As at 31-Dec-2021 £	As at 31-Dec-2020 £
Cash flow from operating activities			
Operating (loss) for the year		(18,111)	(251,933)
Adjustment for:			
Depreciation of right-of-use-assets		30,422	18,097
Gain on disposal of lease		(1,066)	-
Interest income		(8)	(210)
Interest on lease liability		4,931	2,968
		16,168	(231,078)
Changes in working capital			
Trade and other receivables		(11,611)	(35,850)
Other payables		69,619	55,205
Net cash used in operating activities		**74,176**	**(211,723)**
Cash Flow from Financing activities			
Proceed from issuance of shares		36,000	135,000
Interest income		8	210
Repayment on lease liability		(33,600)	(20,000)
Net cash generated from financing activities		2,408	115,210
Increase / (decrease) in cash and cash equivalents		**76,584**	**(96,513)**
Cash and cash equivalents at beginning of the year		**20,040**	**116,553**
Cash and cash equivalents at end of the year		**96,624**	**20,040**

The notes to the financial statements form an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

The consolidated financial statements comprise of the financial information of the Company and its subsidiaries (the Group), which set out in note 14.

2. ACCOUNTING POLICIES

The Board has reviewed the accounting policies set out below and considers them to be the most appropriate to the Group's business activities.

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and IFRIC interpretations applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified for financial assets carried at fair value.

On 1 January 2021, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subjec tto endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework

The financial information of the Company is presented in British Pound Sterling ("£") which is the functional currency of the Company.

As permitted by Companies (Jersey) Law 1991 only the consolidated financial statements are presented.

Standards and interpretations issued but not yet applied
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. 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 (Continued)

Going concern

The Directors consider the going concern basis of preparation to be appropriate in preparing the financial statements. The key conclusions are summarised below:

The Group made a loss for the year of £18,111 (2020: £251,933). The Group recorded net cash generated / (used) in operating activities of £76,584 (2020: (£96,513)). At the reporting date the group held cash and cash equivalents of £96,624 (2020: £20,040) and net equity of (£12,870) (2020: (£30,759)).

As expected, the COVID-19 pandemic has been unprecedented in scale and impact. The Group had taken swift and decisive action to protect its customers, colleagues, franchisees and its 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 Company's business is summarised below:

- Delay in appointing the second restaurant franchisee by about three (3) months (initially planned second franchisee in Bangkok by July 2021).
- Reduced royalty payment that is by percentage of gross revenue sales as franchised restaurants are having slower than expected business.

The Group raised £36,000 through the issue of 1.2 million ordinary shares at a price of 3p per share as additional working capital. The Directors believe there will be sufficient funds to pay on-going expenses and to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements.

The Directors have prepared financial projections for a period of 12 months from the date of approval of these financial statements. Those projections anticipate the Group will continue to generate revenue and resume its cash collection from the franchise operation. In view of this prolonged COVID-19 pandemic, there is no certainty the expected cash remittance will be collected as planned and the liability can be discharged at the timely manner. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group and the Company's ability to continue as a going concern.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 contract liability.

Franchise fees and brand licence fees comprise of revenue for the initial allocation of the franchise to the respective franchisee and they are recognised over time during the licence period.

Compliance fees comprise of assistance provided in maintaining compliance to the brand standards, food hygiene standard, customer service standard, dining ambience standard, environmental standard, food, menu and cuisine standard, general quality standard, cultural standard and compliance to various other standards and guidelines. The revenue is recognised over time during the period.

Taxation

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax is provided for using the liability method on temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised in full for all temporary differences. Deferred income tax assets are recognised for all deductible temporary differences carried forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused losses can be utilised.

The carrying amount of deferred income tax assets is assessed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that is probable that future taxable profits will allow the deferred income tax asset to be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

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.

Loan and receivables

Loans and receivables are held with an objective to collect contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and other receivables.

Trade receivables are recognised initially at the transaction price and subsequently measured at amortised cost, less any impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Loan and receivables (Continued)

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a historical provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administration costs in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those for which credit risk has increased significantly, ifetime expected credit losses are recognised, unless further information becomes available contrary to the increased credit risk. For those that are determined to be permanently credit impaired, lifetime expected credit losses are recognised.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Cash and cash equivalents

The Group considers any cash on short-term deposits and other short-term investments to be cash equivalents.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including member of the Board of Directors.

The Board considers that the Group’s activity constitutes one operating and one reporting segment, as defined under IFRS 8. Management reviews the performance of the Company by reference to total results against budget.

The total profit measures are operating profit and profit for the period, both disclosed on the face of the income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group’s financial information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Impairment of assets

An assessment is made at each of the end reporting period to determine whether there is any indication of impairment of all assets or reversal of previous impairment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior periods.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in compliance with IFRS as adopted for use by the European Union requires the use of certain critical accounting estimates or judgements. The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Going concern

As disclosed in note 2 the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Group and the Company continue to adopt the going concern basis in preparing the financial statements.

4. REVENUE

	As at 31-Dec-2021 £	As at 31-Dec-2020 £
Franchise Fees	43,333	23,333
Brand Licence Fees	65,000	25,000
Compliance Fees	54,167	30,000
	162,500	78,333

The Group revenue are derived from franchise related fees including franchise fee, brand licence fee, compliance fee and royalties according to Restaurant Franchise Agreement between the Group's operating subsidiary company, Havana Dining Limited and Havana Café Sdn Bhd and Everest Consulting Co. Limited, the franchisees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. LOSS BEFORE TAXATION

The loss before taxation is stated after charging:

	As at 31-Dec-2021 £	As at 31-Dec-2020 £
Fees payable to the Group's auditors		
- Audit of the Group's financial statements	18,500	22,000
- Other assurance services	1,099	2,768
- Non audit services relating to corporate finance transactions	-	3,293
Secretarial services fees	8,563	22,987
Professional fees	47,404	37,200
Other costs associated to the acquisition transaction	-	47,528
Depreciation of right-of-use assets	30,422	18,097
Costs related to the acquisition of IP rights	-	100,000
Interest on lease liability	4,931	2,968
Director emoluments	29,000	29,000

6. 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 Nil percent. 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.

The subsidiary company, Havana Dining Limited registered under the relevant British Virgin Island laws and therefore it is subject to BVI income tax at the general rate of Nil percent.

Malaysian income tax is calculated at the statutory tax rate of 24 per cent of the estimated assessable profits for the financial year. No deferred tax asset has been recognised in respect of such losses and temporary differences due to the unpredictability of future profit streams. Such losses may be carried forward indefinitely.

No liability to the corporation tax arose for the year ended 31 December 2021 and year ended 31 December 2020, as the Group did not generate any assessable profits during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. LOSS PER SHARE

Basic 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.

Loss per share attributed to ordinary shareholders

	As at 31-Dec-2021	**As at 31-Dec-2020**
Loss for the year from continuing operations (£)	18,111	251,933
Weighted average shares in issue (unit)	12,797,671	11,925,000
Loss per share (pence per share)	0.14	2.11

8. RIGHT-OF-USE ASSETS

The Company have cancelled its existing operating lease agreement on 31 December 2020 and have entered into a new operating lease agreement for tenancy of office space. The new lease agreement is for a period of 36 months, commencing from 1 January 2021 with an option to renew the lease for a further 12 months.

	£
Cost	
As at 1 January 2020	65,150
Additions / (Disposals) during the year	-
As at 1 January 2021	65,150
Additions during the year	91,266
Derecognising due to lease termination	(65,150)
As at 31.12.2021	91,266
Accumulated depreciation	
As at 1 January 2020	-

Charge for the year	18,097
As at 1 January 2021	18,097
Charge for the year	30,422
Derecognising due to lease termination	(18,097)
As at 31 December 2021	30,422
Net Book Value	
At 31 December 2021	60,844
At 31 December 2020	47,054

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. TRADE AND OTHER RECEIVABLES

	As at 31-Dec-2021 £	As at 31-Dec-2020 £
Trade Receivables	40,000	27,500
Other Receivables	7,461	8,350
	47,461	35,850

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets, as set out in note 18(a).

10. CASH AND CASH EQUIVALENT

Cash and cash equivalents are denominated in the following currencies:

	As at 31-Dec-2021 £	As at 31-Dec-2020 £
Great Britain Pound	3,102	15,680
Malaysia Ringgit	93,522	4,360
	96,624	20,040

11. SHARE CAPITAL

	As at 31-Dec-2021 No. of shares	As at 31-Dec-2021 £
As at 1 January 2021	12,150,000	1,188,400
Issuance of new ordinary shares	1,200,000	36,000
As at 31 December 2021	13,350,000	1,224,400

On 18 Jun 2021 the Company issued 1,200,000 ordinary shares of £0.03 credited as fully paid increasing its issued share capital to 13,350,000 ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. LEASE LIABILITIES

	As at 31-Dec-2021 £	As at 31-Dec-2020 £
At 1 January	**48,119**	**-**
Additions	100,804	72,000
Gain on early lease termination	(1,066)	-
Derecognition due to lease termination	(47,053)	-
Interest in suspense	(9,539)	(6,849)
	91,265	65,151
Interest expense recognised in income statement	4,931	2,968
Repayment of principal	(33,600)	(20,000)
	62,596	48,119

Repayment of lease liabilities as follow:

	As at 31-Dec-2021 £	As at 31-Dec-2020 £
Within one year	33,602	24,000
After one year but not later than five years	33,602	28,000
	67,204	52,000

13. OTHER PAYABLES

	As at 31-Dec-2021 £	As at 31-Dec-2020 £
Other creditors	(1,026)	5,860
Contract liabilities	136,666	56,667
Amount due to Director	318	318
Accruals and provision	19,245	22,739
	155,203	85,584

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. SUBSIDIARY UNDERTAKING

The details of the subsidiaries in the Group are as follows:

Name of company	Country of incorporation	Effective holding	Principal activities
Direct holding :			
Havana Dining Limited.	British Virgin Island	100%	Facilitator for Group operation

Address: Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands

Indirect holding :			
Davictus World Sdn Bhd	Malaysia	100%	Management and administration of Group operation

Address: No.9, 1st Floor, SS15/2A,
47500 Subang Jaya, Selangor, Malaysia

On 22 February 2022, The board approved to dispose Havana Dining limited and novate the franchise agreement to Davictus PLC. Thereafter, Davictus PLC will no longer have Havana Dining Limited as its subsidiary in company structure and Davictus World Sdn Bhd becomes a direct holding company.

15. DIRECTORS' EMOLUMENTS

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

	As at 31-Dec-2021 £	**As at 31-Dec-2020** £
Name of Director		
Robert Logan Pincock	15,000	15,000
Abd Hadi bin Abd Majid	10,000	10,000
Maurice James Malcolm Groat	4,000	4,000
	29,000	29,000

There are no other employment benefits offered to the Directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. SEGMENTAL ANALYSIS

The chief operating decision maker has been identified as the management team including the one director and two non-executive directors. The chief operating decision-maker allocates resources and assesses performance of the business and other activities at the operating segment level.

The chief operating decision maker has determined that in the year end 31 December 2021, the Group had a single operating segment, the provision of managed restaurant franchise business. All the activities and operations are based in Malaysia and Thailand.

There are two franchisee during the reporting year.

17. FINANCIAL INSTRUMENTS

The Group is exposed through its operations to the following financial risks:
• Credit risk
• Fair value
• Foreign exchange risk, and
• Liquidity risk.

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments
The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:
• Trade receivables
• Cash and cash equivalents
• Trade and other payables
• Right of use assets and lease liabilities

Financial instruments by category

	As at 31 December 2021 £	As at 31 December 2020 £
Financial assets		
Cash and cash equivalents	96,624	20,040
Trade and other receivables	42,000	35,850
Total financial assets	138,624	55,890
Financial laibilities measured at amortised cost		
Amount due to a director	318	318
Trade and other payables	18,219	28,599
Lease liability	62,596	48,119
Total financial laibilities	81,133	77,036

The Group uses a limited number of financial instruments, comprising cash, short-term deposits and various items such as trade receivables and payables, which arise directly from operations. The Group does not trade in financial instruments and it has no external borrowing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. FINANCIAL INSTRUMENTS (Continued)

Financial instruments not measured at fair value

These include cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk) credit risk and liquidity risk. The financial risks relate to the following financial instruments: cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings. The accounting policies with respect to these financial instruments are described above.

Risk management is carried out by the directors under policies, where they identify and evaluate financial risks in close co-operation with the Group's operating units. The directors provide principles for overall risk management.

The reports on the risk management are produced periodically to the key management personnel of the Group.

a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk the Group endeavours only to deal with companies which are demonstrably creditworthy.

The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are then adjusted to reflect current and forward-looking information, any known legal and specific economic factors, including the credit worthiness and ability of the customer to settle the receivable.

The Group's major concentration of credit risks relates to the amount owed by a single franchisee customer, which was past due but not impaired, at the end of reporting year. Subsequent to the year end, the Group received the payment of overdue debts in full before the date of approval these financial statements.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The Group's exposure to credit risk on cash and cash equivalents is considered low as the bank accounts are with banks with high credit ratings.

19. FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash flow for operations. The Group manages its' risk to shortage of funds by monitoring forecast and actual cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity profile of the Group's financial liabilities, based on the contracted undiscounted payments were as follow:

	Carrying value	Contractual cash flow	Within one year	1-2 years	2-5 years
At 31 December 2021					
Amount due to director	318	318	318	-	-
Trade and other payable	131,352	131,352	131,352	-	-
Lease liability	62,596	67,203	33,602	33,601	
	194,266	198,873	165,272	33,601	
At 31 December 2020					
Amount due to director	318	318	318	-	-
Trade and other payable	28,599	28,599	28,599	-	-
Lease Liability	48,119	52,000	24,000	24,000	4,000
	77,036	80,917	52,917	24,000	4,000

c) Foreign currency risk

The Group has some exposure to foreign currency risk. The Group purchases and sells in various foreign currencies, mainly Ringgit Malaysia (MYR) that exposes it to foreign currency risk arising from such purchases and sales and the resulting receivables and the payables. However, the Group continuously monitors its foreign currency position.

The carrying amounts of the Group's financial instruments are denominated in the following currencies at each reporting year:

	MYR	GBP	Total
At 31 December 2021			
Financial assets	93,522	3,102	96,624
Financial liabilities	1,104	84,637	85,741
Net financial assets	92,418	(81,535)	10,883
At 31 December 2020			
Financial assets	4,360	131,530	135,890
Financial liabilities	(360)	(76,676)	(77,036)
Net financial assets	4,000	54,854	58,854

20. FINANCIAL INSTRUMENTS (Continued)

c) Foreign currency risk (continued)

The sensitivity analysis in the table below details the impact of changes in foreign exchange rates on the Group's post-tax profit or loss for each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

It is assumed that the named currency is strengthening or weakening against all other currencies, while all the other currencies remain constant.

If the GBP strengthened or weakened by 10% against the other currencies, with all other variables in each case remaining constant, then the impact on the Group's post-tax profit or loss would be gains or losses as follows: -

	strengthen	weaken
For the year ended 31 December 2021		
MYR	606	606

d) Fair values

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

21. CAPITAL MANAGEMENT POLICY

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of the equity attributable to equity holders of the Group which comprises of issued share capital and reserves.

22. RELATED PARTY TRANSACTIONS

Included within the current liabilities is an amount of £318 (2020: £318) owing to Abd Hadi bin Abd Majid, who is one of the Directors of the ultimate holding company.

23. CAPITAL COMMITMENTS

The Group has no capital commitments.

24. SUBSEQUENT EVENTS

On 22 February 2022, The Board approved to dispose Havana Dining limited and novate the franchise agreement to Davictus PLC. Thereafter, Davictus PLC will no longer have Havana Dining Limited as its subsidiary in company structure and Davictus World Sdn Bhd becomes a direct holding company.