

Company registration number: 05840813

Quetzal Capital Plc
Audited Financial Statements
Year Ended 30 June 2021

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Quetzal Capital Plc

Audited Financial Statements

Year Ended 30 June 2021

Company Information

Company registration number	05840813
Directors	Fungai Ndoro John Taylor
Secretary	Ben Harber
Registered office	6th Floor 60 Gracechurch Street London EC3V 0HR
Independent auditor	Edwards Veeder (UK) Limited 4 Broadgate Broadway Business Park Chadderton Oldham OL9 9XA
Solicitors	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW

Quetzal Capital Plc

Chairman's Statement

Year Ended 30 June 2021

The financial results for the twelve months ended 30 June 2021 show a loss of £71,916 compared to a profit for the same period in 2020 of £275,963. The profit recorded in 2020 was attributable to the write-off of historic debt by creditors in June 2020. The net assets as at 30 June 2021 were £3,160,034 (2020: (£41,557)).

In October 2020 Darren Edmonston, who had been with the Company for four-and-a-half years resigned from the Board with immediate effect to concentrate on his other business interests.

In March 2021, Mark Jackson resigned as a director of the Company and John Taylor joined the Board. At the same time Peterhouse Capital, the Company's brokers, raised £3.43million recapitalising the Company and enabling Quetzal to relaunch. At a general meeting of the Company held on 1 April 2021, shareholders approved a change in Quetzal's investment strategy, to focus on potentially high growth companies in the technology, eCommerce and lifestyle sciences sectors. Following the general meeting, Simon Grant-Rennick stepped down from the Board and Fungai Ndoro was appointed as a director.

The new Board is very excited about by its current prospects and is firmly focused on acquiring an exciting business with the ability to scale rapidly and expand globally, in a short space of time.

Post Balance Sheet Events

The directors have received a number of approaches and identified several potential business opportunities for the Company. The directors are presently evaluating a number of potential transactions, and look forward to informing shareholders and the market further as and when this is appropriate.

On behalf of the Board of directors, I thank both old and new shareholders for their support.

John Edward Taylor

Quetzal Capital Plc

Strategic Report

Year Ended 30 June 2021

The directors present their strategic report with the audited financial statements of Quetzal Capital Plc ("Quetzal" or the "Company") for the year ended 30 June 2021.

Going Concern

The financial statements have been prepared on a going concern basis.

The Company meets its day to day financing through its cash reserves as at 30 June 2021 the Company has net current assets of £3,160,867 and £2,841,679 cash in the bank.

The directors have prepared cash flow forecasts for the period to 31 December 2022. On the basis of these forecasts, the Company is expected to continue to operate within its available financial facilities for at least the next 18 months.

It is clear since the year end that the spread of COVID-19 will continue to have a material impact on many economies globally both through the effects of the virus itself and the measures taken by government to restrict its spread. It has also transformed much of the landscape of global and local economies and business environments. As such the Board views significant opportunities as well as threats in terms of business and investment options. The situation and guidance being given in respect of COVID-19 is an evolving one, which the Board will continue to actively monitor. Accordingly, we adhere to government guidelines in relation to travel and movement and are following the guidance of the authorities in the areas we operate.

Promotion of the Company for the benefit of the members as a whole

The directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interest of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others;
- Consider the impact of the Company's operations on the community and the environment.

The Company has sought to act in a way that upholds these principals. The directors believe that the application of s172 requirements can be demonstrated in relation to some of the key decisions made and actions taken during the year.

Category	How the directors have engaged	Impact of action
Shareholders and investors	The directors have communicated regularly with its shareholders and investors via public announcements and the publication of an interim statement. Post the end of the period, the Company has raised additional funds from investors in order to ensure that it is well positioned to achieve both its short and long term goals.	The Company's share price and capitalisation position have been improved.
Suppliers	The Company has focused on developing long term and mutually beneficial relationships with its suppliers.	Relationships have been maintained with all suppliers in place at the beginning of the period.
Employees	The Company has only two employees, its directors.	Changes in directors have been made following mutual agreement and consent.

Quetzal Capital Plc

Strategic Report

Year Ended 30 June 2021

Environment	The directors have sought to minimise their own carbon footprints and will ensure that ESG considerations are taken in to full account when assessing any investments.	The vast majority of internal and external Company meetings have been conducted virtually. When physical meetings have taken place the directors always travelled in economy rather than business class flights.
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The Company is a quoted investment company and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, of the Board's broad and specific intentions and the rationale for its decisions. The Company pays its employees and creditors promptly and keeps its costs to a minimum to protect shareholders funds. When selecting investments, issues such as the impact on the community and the environment have and will be taken into consideration actively.

On behalf of the Board

Fungai Ndoro

Fungai Ndoro
Director

13 October 2021

Quetzal Capital Plc

Directors' Report

Year Ended 30 June 2021

The directors present their report and the audited financial statements of the Company for the year ended 30 June 2021.

Directors of the Company

The directors who have served during the year and up to the date of approval were as follows:

Darren Edmonston	(Resigned 5 October 2020)
Mark Jackson	(Resigned 2 March 2021)
John Taylor	(Appointed 2 March 2021)
Fungai Ndoro	(Appointed 1 April 2021)
Simon Grant-Rennick	(Resigned 1 April 2021)

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The directors have received a number of approaches and identified several potential business opportunities for Quetzal. The directors are presently evaluating a number of potential transactions and the directors look forward to informing shareholders and the market further as and when this is appropriate. The Company has made investments into various AIM listed securities. The Company currently holds liquid, listed investments totalling circa £550,000.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 17 to the financial statements.

Directors' interests

The directors' interests in the shares of the Company are as stated below:

	No. of ordinary shares of 0.1p each	
	2021	2020
Darren Edmonston	-	431,309
Simon Grant-Rennick	-	2,500,000
Mark Jackson	-	4,060,000
John Taylor	2,750,000	-

Requirement for further funds

There should not be a requirement for the Company to raise further funds in the near future in order to fund working capital requirements. However, any funding requirement deemed appropriate by the Board, and operating within authorities granted to it by shareholders is likely to be by the issue of further ordinary shares or the issue of convertible loan note instruments. There may also be a requirement to conduct an equity fundraise concurrently with any Reverse Takeover transaction.

Principal risks and uncertainties

The Company's activities expose it primarily to the following financial risks:

Liquidity risk

The Company's policy is to finance its operations through working capital. The Company has sufficient funds for the foreseeable future.

Quetzal Capital Plc

Directors' Report

Year Ended 30 June 2021

Interest rate risk

Interest bearing assets include only cash balances which earn interest at a fixed rate. The Company monitors its interest rate risk primarily through cash flow forecasting and allocating funds to the most relevant accounts in light of forecast balances and outgoings.

Substantial shareholdings

As at 30 June 2021, other than the directors' holdings, the following shareholders hold more than 5% of the issued share capital:

Shareholder	No. of ordinary shares	% of issued share capital
Chris Akers	27,385,000	16%
Monecor (London) Limited	21,446,424	12.5%
John Mahtani	9,775,000	5.7%
Ashok Patel	8,607,711	5%

Number of shares not in public hands are 69,964,135 which equates to 40.9% of issued share capital.

Directors' responsibilities statement

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 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 then apply them consistently;
- make judgments 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 company'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 Act 2006. 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.

Corporate Governance Code

The directors are committed to maintaining high standards of corporate governance and propose, so far as is practicable given the Company's size and nature, to voluntarily adopt and comply with the QCA Code. At present, due to the size of the Company, the directors acknowledge that adherence to certain other provisions of the QCA Code may be delayed until such time as the directors are able to fully adopt them. In particular, action will be required in the following areas:

- the Company is currently too small to have an audit committee, a remuneration committee or a nominations committee established and the appointments to such committees will be revisited upon the completion of an Acquisition along with incorporating terms of reference for them; and
- given the Company's size, it has not yet developed a corporate and social responsibility policy. One will be put in place at the appropriate time.

Quetzal Capital Plc

Directors' Report

Year Ended 30 June 2021

The Board is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the shareholders, to whom they are accountable. The primary duty of the directors is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management.

To demonstrate the Company's adherence to the QCA Code, the Company will hold timely board meetings as issues arise which require the attention of the Board. The Company will report to its shareholders as to its compliance with the QCA Code on an ongoing basis and will publish an updated Corporate Governance statement from time to time.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Board and signed on its behalf.

Fungai Ndoro

Fungai Ndoro
Director

13 October 2021

Quetzal Capital Plc

Independent Auditors Report to the Members of Quetzal Capital Plc

Year Ended 30 June 2021

Opinion

We have audited the financial statements of Quetzal Capital PLC (the 'Company') for the year ended 30 June 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its profit 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.

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 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.

As part of our planning, we assessed the risk of material misstatement. Procedures were then performed to address the risk identified.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in 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) 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Quetzal Capital Plc

Independent Auditors Report to the Members of Quetzal Capital Plc

Year Ended 30 June 2021

Key audit matter one

Related parties

We are required to consider if the disclosures made in the financial statements are complete and accurate and to consider whether the processes for the identifying related parties and related party transactions are appropriate.

Audit response

We have assessed the Company's procedures for identifying related parties and ensuring the completeness of the disclosures that are included in the audit planning pack.

Key audit matter two

Going concern

The Company raised finance during the period to fund its Investment Strategy and will require further funding in the future to meet its commitments together with expenses paid by directors. The risk for our audit was whether this contributed to a material uncertainty that may cast doubt on the Company's ability to continue as a going concern.

Audit response

Critical assessment of the directors' going concern assessment, challenging forecast and assumption.

Assessment of the cash flow forecast for committed and contracted expenditure versus discretionary expenditure compared to the level of cash resources.

Assessment of the adequacy of disclosures in the financial statements.

Key audit matter three

Management override of controls

We are required to consider how management biases could affect the results of the Company.

Audit response

We have considered the controls in place, remained alert for material and unusual items and tested a sample of journals to assess the risk.

Assessment of the adequacy of disclosures in the financial statements.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatements in the Financial Statements. As in all our audits, we addressed the risk of management override of controls, including among other matters consideration of whether there was any evidence of bias that represented a risk of material misstatement due to fraud.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as material, as we also take into account the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined the materiality for the financial statements as a whole to be £64,000 (2020: £13,000) which is based on an average of 2% of gross assets. We considered this as an appropriate benchmark. We set performance materiality as 80% of the overall Financial Statement materiality.

Other information

Quetzal Capital Plc

Independent Auditors Report to the Members of Quetzal Capital Plc

Year Ended 30 June 2021

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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

Quetzal Capital Plc

Independent Auditors Report to the Members of Quetzal Capital Plc

Year Ended 30 June 2021

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:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud.
- Auditing the risk of management of override controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified that employment law, LSE listing rules and compliance with the Companies Act 2006 are most likely to have a material impact on the financial statements.

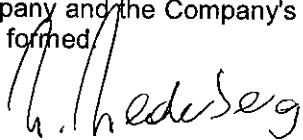
The Company is subject to many other laws and regulations where consequences of non-compliance could have material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines. We identified the following areas as most likely to have such an effect: The Listing Rules in certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit required audit procedure to identify non-compliance with these laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there's an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK). For instance, the further removed non-compliances from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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.



Lee Lederberg FCCA (Senior Statutory Auditor)

For and on behalf of
Edwards Veeder (UK) Limited
Chartered accountants & statutory auditor
4 Broadgate
Broadway Business Park
Chadderton
Oldham
OL9 9XA

Date:

13th October 2021

Quetzal Capital Plc

Statement of Comprehensive Income

Year Ended 30 June 2021

	Note	2021 £	2020 £
Administrative expenses	4	(68,803)	284,981
Operating profit / (loss)		(68,803)	284,981
Interest payable and similar expenses	7	-	(9,018)
Profit / (loss) before taxation		(68,804)	275,963
Tax on profit / (loss)	8	(3,112)	-
Profit / (loss) for the financial year and total comprehensive income		(71,915)	275,963
Earnings per share	18	(0.087)p	0.734p
Diluted earnings per share	18	(0.076)p	0.734p

All the activities of the Company are from continuing operations and investments.

The notes on pages 18 to 25 form part of these financial statements.

Statement of Financial Position

Year Ended 30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	9	2,279	2,187
		<u>2,279</u>	<u>2,187</u>
Current assets			
Debtors	10	71,628	7,495
Financial assets	11	267,930	-
Cash and cash equivalents		2,841,679	-
Total current assets		<u>3,181,237</u>	<u>7,495</u>
Creditors: amounts falling due within one year	12	<u>20,370</u>	<u>51,239</u>
Net current assets		3,160,867	(43,744)
Total assets less current liabilities		<u>3,163,146</u>	<u>(41,557)</u>
Provisions	13	<u>(3,112)</u>	-
Net assets		<u>3,160,034</u>	<u>(41,557)</u>
Capital and reserves			
Called up share capital	15	1,701,243	1,552,202
Share premium		4,687,681	1,572,336
Option & warrant reserve		9,120	-
Profit & loss accounts		(3,238,010)	(3,166,095)
Shareholders' funds/ (deficit)		<u>3,160,034</u>	<u>(41,557)</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

Fungai Ndoro

Fungai Ndoro
Director

13 October 2021

The notes pages 18 to 25 form part of these financial statements.

Quetzal Capital Plc**Statement of Changes in Equity****Year Ended 30 June 2021**

	Called up Share Capital £	Share Premium £	Other Reserves £	Profit & Loss Account £	Total £
As at 1 July 2020	1,552,202	1,572,336	-	(3,166,095)	(41,557)
Total comprehensive profit for the year	-	-	-	(71,915)	(71,915)
Issue of shares	149,041	3,115,345	-	-	3,264,386
Option & warrant reserve	-	-	9,120	-	9,120
Balance at 30 June 2021	1,701,243	4,687,681	9,120	(3,238,010)	3,160,034

	Called up Share Capital £	Share Premium £	Profit & Loss Account £	Total £
As at 1 July 2019	1,545,511	1,562,336	(3,442,058)	(334,211)
Total comprehensive profit for the year	-	-	275,963	275,963
Issue of shares	6,691	10,000	-	16,691
Balance at 30 June 2020	1,552,202	1,572,336	(3,166,095)	(41,557)

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	Description and purpose
Called Up Share Capital	This represents the nominal value of shares issued.
Share Premium	Amount subscribed for share capital in excess of nominal value.
Profit & Loss Account	Cumulative net gains and losses recognised in the statement of comprehensive income.

The notes pages 18 to 25 form part of these financial statements.

Quetzal Capital Plc

Statement of Cash Flows

Year Ended 30 June 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit / (loss) for the financial year		(71,915)	(275,963)
<i>Adjustments for:</i>			
Fair value adjustment of listed shares		(16,472)	(1,187)
Interest payable and similar expenses		-	9,018
Other operating cash flow adjustment		9,120	(334,658)
 <i>Changes in:</i>			
Trade and other debtors		(64,133)	(1,281)
Trade and other creditors		(27,757)	61,163
<hr/>			
Cash generated from operations		(171,157)	9,018
Interest paid		-	(9,018)
<hr/>			
Net cash used in operating activities		(171,157)	-
Cash flows from financing activities			
Purchase of listed investment		(251,550)	-
Share issue		3,470,124	-
Share issue expenses paid		(205,738)	-
<hr/>			
Net cash used in financing activities		3,012,836	-
Increase / (Decrease) in cash and cash equivalents		2,841,679	-
Cash and cash equivalents at beginning of the year		-	-
<hr/>			
Cash and cash equivalents at the end of the year		2,841,679	-

The notes pages 18 to 25 form part of these financial statements.

Quetzal Capital Plc

Notes to the Financial Statements

Year Ended 30 June 2021

1. General information

The Company is a public company limited by shares, registered in England and Wales. The address of the registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR, United Kingdom

2. Statement of compliance

The financial statements of Quetzal Capital Plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

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

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

The Company made a loss for the year of £71,915 (2020: a profit of £275,963) and has net asset position of £3,160,867 (2020: (£41,557)). The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors believe it is appropriate to prepare the financial statements on a going concern basis as the Company will have sufficient funds to finance its operations for the next 18 months from the approval of these financial statements.

The spread of COVID-19 will have a material impact on many economies globally and investor sentiment both through the effects of the virus itself and the measures taken by government to restrict its spread. The situation and guidance being given in respect of COVID-19 is an evolving one, which the Board will continue to actively monitor. We are taking measures to ensure we limit travel and movement and are following the guidance of the authorities in the areas we operate. We are all working remotely to progress investments and discussions to ensure that we protect and advance the long-term value of our Company and the interests of our shareholders.

Consolidation

The Company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the Company and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

Quetzal Capital Plc

Notes to the Financial Statements

Year Ended 30 June 2021

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the Company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

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Notes to the Financial Statements

Year Ended 30 June 2021

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Loans and creditors write-off	-	(334,568)
Fair value adjustment of listed shares	(15,581)	(1,187)
	<u>(15,581)</u>	<u>(1,187)</u>

5. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	8,050	3,600
	<u>8,050</u>	<u>3,600</u>

6. Employees and directors

The average monthly number of persons employed by the Company during the year was as follows:

	2021	2020
Directors	<u>2</u>	<u>3</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Directors	<u>13,333</u>	<u>22,000</u>

7. Interest payable and similar expenses

	2021	2020
	£	£
Other interest payable and similar charges	-	9,018
	<u>-</u>	<u>9,018</u>

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Notes to the Financial Statements

Year Ended 30 June 2021

8. Tax on profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	-	-
Deferred tax:		
Origination and reversal of timing differences	3,112	-
Tax on profit	<u>3,112</u>	<u>-</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities of the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020
	£	£
Profit on ordinary activities before taxation	<u>(68,804)</u>	<u>275,963</u>
Profit on ordinary activities by rate of tax	(13,073)	52,433
Effect of expenses not deductible for tax purposes	(1,228)	(32,087)
Deferred tax movement	3,112	-
Unutilised / (Utilised) losses carried forward	14,301	(20,346)
Tax on profit	<u>3,112</u>	<u>-</u>

At 30 June 2021, the Company had UK tax losses of £3,366,956 (2020: £3,291,691) available to be carried forward and utilised against future taxable profits. A deferred tax asset of £639,722 (2020: £625,421) has not been recognised due to uncertainties over the timing of when taxable profits will arise.

9. Investments

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost			
As at 1 July 2020	1,000	1,187	2,187
Additions	-	-	-
Revaluations	(1,000)	1,092	92
Balance at 30 June 2021	<u>-</u>	<u>2,279</u>	<u>2,279</u>

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Notes to the Financial Statements

Year Ended 30 June 2021

9. Investments (continued)

	Shares in group undertakings	Other investments other than loans	Total
Carrying amount	£	£	£
As at 1 July 2020	1,000	1,187	2,187
Balance at 30 June 2021	-	2,279	2,279

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
Metro Environmental Limited	The Barn, Tednambury Farm, Tednambury, Spellbrook, Herts, England, CM23 4BD	Ordinary	100

The results and capital and reserves for the year are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2021	2020	2021	2020
Subsidiary undertakings	£	£	£	£
Metro Environmental Limited	-	1,000	-	-

10. Debtors

	2021	2020
	£	£
Prepayments and accrued income	16,370	7,495
Other debtors	55,258	-
	<u>71,628</u>	<u>7,495</u>

£46,560 of other debtors represent funds held as a cash balance in a brokerage account.

11. Financial assets

	2021	2020
	£	£
<i>At fair value</i>		
Available for sale listed investments	267,930	-
	<u>267,930</u>	<u>-</u>

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Notes to the Financial Statements

Year Ended 30 June 2021

12. Other creditors including taxation and social security falling due within one year

	2021 £	2020 £
Directors loans	-	2,134
Amounts owed to group undertakings	-	1,000
Trade creditors	12,118	39,571
Accruals	8,252	8,534
	<u>20,370</u>	<u>51,239</u>

13. Provisions

	Deferred tax £
Carrying amount	
As at 1 July 2020	-
Movement	3,112
Balance at 30 June 2021	<u>3,112</u>

14. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021 £	2020 £
Included in provision (note 13)	3,112	-
	<u>3,112</u>	<u>-</u>

The deferred tax account consists of the tax effect of timing differences in respect of

	2021 £	2020 £
Revaluation of listed investments	3,112	-
	<u>3,112</u>	<u>-</u>

15. Called up share capital

	2021		2020	
	No.	£	No.	£
Ordinary shares of £0.001 each	171,187,399	171,187	22,145,735	22,146
Deferred shares of £0.099 each	15,455,115	1,530,056	15,455,115	1,530,056
	<u>186,642,514</u>	<u>1,701,243</u>	<u>37,600,850</u>	<u>1,552,202</u>

On 9 July 2020, 375,000 ordinary shares of £0.001 were issued at a price of £0.003 in settlement of advisory fees payable by the Company.

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Notes to the Financial Statements

Year Ended 30 June 2021

15. Called up share capital (continued)

On 9 February 2021, 321,430 ordinary shares of £0.001 were issued at a price of £0.007 in part-settlement of advisory costs payable by the Company.

On 8 March 2021, 61,678,572 ordinary shares of £0.001 were issued at a price of £0.007 and 11,666,666 ordinary share of £0.001 were issued at a premium of £0.003 to Mark Jackson following the conversion of outstanding Convertible Loan Notes.

On 13 April 2021, 75,000,000 ordinary shares of £0.001 were issued a price of £0.04 during a capital raising. The placing was oversubscribed and includes new and existing investors, including entrepreneur Chris Akers. John Taylor and Simon Grant-Rennick also participated in the placing. Placees were granted 1 warrant for every 2 placing shares.

16. Share options and share warrants

Share Options

John Taylor hold the following options:

Number	Exercise Price	Expiry Date	Vesting Conditions
150,000	£0.06	10 March 2023	25% Vested / 75% vest on 10 Sep 2021
150,000	£0.08	10 March 2023	25% Vested / 75% vest on 10 Sep 2021
150,000	£0.10	10 March 2023	25% Vested / 75% vest on 10 Sep 2021

Fungai Ndoro hold the following options:

Number	Exercise Price	Expiry Date	Vesting Conditions
112,500	£0.06	10 March 2023	25% Vested / 75% vest on 10 Sep 2021
112,500	£0.08	10 March 2023	25% Vested / 75% vest on 10 Sep 2021
112,500	£0.10	10 March 2023	25% Vested / 75% vest on 10 Sep 2021

Simon Grant-Rennick retained the following share options granted to him on 10 March 2021. 75% of the original grant lapsed on Simon's resignation:

Number	Exercise Price	Expiry Date	Vesting Conditions
37,500	£0.06	10 March 2023	Fully Vested
37,500	£0.08	10 March 2023	Fully Vested
37,500	£0.10	10 March 2023	Fully Vested

Share Warrants

The Company has 37,500,000 share warrants with each warrant giving the holder the right to subscribe for one ordinary share in the Company at a price of £0.08 per share and will expire on 31 December 2022.

17. Events after the end of the reporting period

Since the end of the reporting period the Company has invested in various AIM listed stocks. The Company currently holds listed investments totalling circa £550,000.

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Notes to the Financial Statements

Year Ended 30 June 2021

18. Earnings per share

Earnings per share is calculated by dividing the loss for the period attributable to ordinary equity shareholders of the parent by the number of ordinary and deferred shares outstanding during the year.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

In accordance with FRS102 the share options and warrants in issue has a dilutive impact on the earnings per share for the year ended 30 June 2021 and the year ended 30 June 2020. The total number of dilutive securities are 94,479,925 (2020:37,600,850).

19. Related party transactions

Directors Mr C Luck resigned in the prior year and Mr D Edmonston Mr S Grant-Rennick and Mr M Jackson resigned in the year. Two directors were appointed in the year: Ms F Ngoro and Mr J E Taylor. Below are transactions disclosed in the accounts; no further disclosures to be made besides directors' transactions which is disclosed in directors' transactions in the accounts.

In the prior year, the Company came to an agreement with certain creditors to pay them 7.5% in cash and the remainder of the debt in equity. Creditors were paid £27,300 in cash and a further amount in equity. The cash amount was settled in July 2020. The remainder of the balance was written off.

As at 30th June 2021 the balance owing to Bushwood Accountants was £nil (2020: £1,222) and there is no interest chargeable, a company owned by the director Mr D Edmonston. During the year an amount of £nil (2020: £14,998) was written off as part of the agreement mentioned above.

As at 30 June 2021, an amount of £nil (2020: £2,010) was owed to Toddbrook Investments Limited with no interest chargeable, a company owned by the director Mr D Edmonston.

During the year charges were incurred of £nil (2020: £11,000) in relation to directors fees to Mr D Edmonston. As at 30 June 2021 the balance owing to Mr D Edmonston was £nil (2020: £3,675). Interest was not chargeable. During the year an amount of £nil (2020: £45,097) was written off as part of the agreement mentioned above.

During the year charges were incurred of £nil (2020: £11,000) in relation to directors fees to Mr C Luck. As at 30 June 2021 the balance owing to Mr C Luck was £nil (2020: £4,200). Interest was not chargeable. During the year an amount of £nil (2020: £51,540) was written off as part of the agreement mentioned above.

All transactions with related parties are conducted at arm's length.

20. Directors' transactions

During the year Mr M Jackson and Mr S Grant-Rennick were reimbursed for suppliers that they had settled amounting to £22,066 (2020: £17,134). The amounts owed to directors as at 30 June 2021 is £nil (2020: £2,134).

21. Controlling party

The directors consider that there is no ultimate controlling party.